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To establish a comprehensive system of reemployment services, training and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 17 (legislative day, FEBRUARY 22), 1994

Mr. MOYNIHAN (for himself, Mr. MITCHELL, Mr. BRADLEY, Mr. BREAUX, Mr. DASCHLE, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mrs. BOXER, Mr. FORD, Ms. MOSELEY-BRAUN, and Mr. DODD) introduced the following bill; which was read the first time

A BILL

To establish a comprehensive system of reemployment services, training and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Reemployment Act of
3 1994”.

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1 **SEC. 3. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds that—

3 (1) in recent years, both the nature of job un-
4 certainty and job loss has changed due to such
5 forces as evolving technologies, corporate restructur-
6 ing, and intensifying global competition;

7 (2) a substantial number of Americans lose jobs
8 because of structural changes in the economy rather
9 than cyclical downturns, with more than two million
10 full-time workers permanently displaced annually
11 due to plant closures, production cutbacks, and lay-
12 offs;

13 (3) job uncertainty and dislocation carry sub-
14 stantial emotional and financial costs to the Nation,
15 with tax revenues and economic output declining
16 when workers are idle and demands on Government
17 support rise;

18 (4) all Americans—whether seeking first jobs,
19 new jobs, or better jobs—confront an economy in
20 continuous transition and must have access to new
21 skills and better job and career information in order
22 to harness this change for increased economic secu-
23 rity and a rising standard of living;

24 (5) our current worker adjustment policies were
25 designed for an earlier economy and often do not

1 equip Americans to prosper in the current and
2 emerging atmosphere of constant change;

3 (6) the primary governmental response to job
4 loss—the unemployment insurance system—is effective in providing income support to persons on temporary layoffs, but was not designed to build reemployment security, and is ill-equipped by itself to ensure that those people who are permanently laid off
5 will receive needed reemployment services;

10 (7) the current Government response to dislocation is a patchwork of categorical programs, with
11 varying eligibility requirements and different sets of
12 services and benefits;

14 (8) job search assistance and retraining are not
15 available to all who need them and income support
16 is typically not available to facilitate long-term training;
17

18 (9) a lack of comprehensive labor market information—
19

20 (A) means that job seekers, training providers, and employers must make hiring and
21 training decisions based on fragmented and incomplete data;
22

24 (B) adds time and costs to employers' recruitment efforts; and
25

1 (C) hinders the ability of rapidly growing
2 firms to recruit and screen new employees; and
3 (10) administrative and regulatory obstacles
4 hamper the efforts of States and localities to estab-
5 lish comprehensive reemployment systems for all
6 their citizens seeking first jobs, new jobs, and better
7 jobs.

8 (b) PURPOSE.—It is the purpose of this Act to—

9 (1) better integrate the existing unemployment
10 system into a comprehensive, universal, high-quality
11 system for reemployment, so that it can serve effec-
12 tively the structurally unemployed as well as those
13 on temporary layoffs;

14 (2) promote equity and efficiency by consolidat-
15 ing the array of specific programs for dislocated
16 workers into a single comprehensive program for all
17 workers who have been permanently laid off, regard-
18 less of the cause of dislocation;

19 (3) facilitate effective, quality training for per-
20 manently laid-off workers who want and need it;

21 (4) provide customer-centered, high-quality em-
22 ployment and training services that give dislocated
23 workers the tools to make informed career and train-
24 ing choices;

1 (5) provide universal access to basic reemploy-
2 ment services, including assessment of skill levels
3 and service needs, labor market information, and job
4 search assistance;

5 (6) begin to transform the fragmented employ-
6 ment and training system through a network of
7 streamlined, one-stop career centers providing uni-
8 versal access to all Americans who want and need
9 new jobs, better jobs, and first jobs;

10 (7) replicate and expand the innovative efforts
11 of States and localities to provide comprehensive,
12 high-quality reemployment and training systems;
13 and

14 (8) create a national labor market information
15 system that gives employers, training providers, stu-
16 dents, job seekers, and employees high-quality and
17 timely data on the local economy, labor market, and
18 other occupational information.

19 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

20 (a) TITLE I.—There are authorized to be appro-
21 priated to carry out title I—

22 (1) \$1,465,000,000 for fiscal year 1995; and

23 (2) such sums as may be necessary for each
24 succeeding fiscal year.

1 (b) TITLES III AND IV.—There are authorized to be
2 appropriated to carry out titles III and IV—

3 (1) \$250,000,000 for each of fiscal years 1995
4 through 1999; and

5 (2) such sums as may be necessary for each of
6 fiscal years 2000 through 2003.

7 **SEC. 5. DEFINITIONS.**

8 For the purposes of this Act, the following definitions
9 apply:

10 (1) The term “career center” means such cen-
11 ter established pursuant to section 118.

12 (2) The term “community-based organizations”
13 means private nonprofit organizations which are rep-
14 resentative of communities or significant segments
15 of communities and which provide education, train-
16 ing and related services.

17 (3) The term “economic development agencies”
18 includes State and local planning and zoning com-
19 missions or board, community development agencies,
20 and other State and local agencies and institutions
21 responsible for regulating, promoting, or assisting in
22 State and local economic development.

23 (4) The term “Governor” means the chief exec-
24 utive of any State.

1 (5) The term “labor market area” means an
2 economically integrated geographic area within
3 which individuals can reside and find employment
4 within a reasonable commuting distance or can
5 change employment without changing their place of
6 residence. Such areas shall be identified by the Sec-
7 retary in accordance with criteria used by the Bu-
8 reau of Labor Statistics of the Department of Labor
9 or the Bureau of the Census of the Department of
10 Commerce in defining such areas.

11 (6) The term “local elected official” means the
12 chief elected executive officer of a unit of general
13 local government in a substate area.

14 (7) The term “nontraditional employment” as
15 applied to women refers to occupations or fields of
16 work where women comprise less than 25 percent of
17 the individuals employed in such occupational or
18 field of work.

19 (8) The term “one-step career center” means
20 such center established pursuant to section 313.

21 (9) The term “private industry council” means
22 the private industry council established under sec-
23 tion 102 of the Job Training Partnership Act.

24 (10) The term “representatives of employees”
25 means representatives from labor organizations (in-

1 including local, State, or national bodies, as appro-
2 priate) where such organization represents a sub-
3 stantial number of employees.

4 (11) The term “Secretary” means the Secretary
5 of Labor.

6 (12) The term “service delivery area” means
7 such an area as established in section 101 of the
8 Job Training Partnership Act.

9 (13) The term “service provider” means a pub-
10 lic agency, private nonprofit organization, or private-
11 for-profit entity that delivers basic reemployment,
12 intensive reemployment, educational, training, or
13 supportive services.

14 (14) The term “State” means any of the sev-
15 eral States, the District of Columbia, and the Com-
16 monwealth of Puerto Rico.

17 (15) The term “State council” means the State
18 job training coordinating council established under
19 section 122 of the Job Training Partnership Act.

20 (16) The term “State Human Resource Invest-
21 ment Council” means the council established under
22 section 701 of the Job Training Partnership Act.

23 (17) The term “substate area” means that geo-
24 graphic area in a State established pursuant to sec-
25 tion 117.

1 (18) The term “substate grantee” means that
2 agency, organization, or consortium thereof selected
3 to administer programs pursuant to section 117(b).

4 (19) The term “unit of general local govern-
5 ment” means any general purpose political subdivi-
6 sion of a State which has the power to levy taxes
7 and spend funds, as well as general corporate and
8 police powers.

9 **TITLE I—COMPREHENSIVE PROGRAM FOR**
10 **WORKER REEMPLOYMENT**

11 **SEC. 101. ALLOTMENT OF FUNDS.**

12 (a) IN GENERAL.—Of the funds appropriated pursu-
13 ant to section 4(a) for any fiscal year, the Secretary
14 shall—

15 (1) allot 75 percent among the States in ac-
16 cordance with subsection (b); and

17 (2) reserve 25 percent to carry out part B, sub-
18 ject to the reservation required by subsection (e).

19 (b) ALLOTMENT AMONG STATES.—(1) Subject to the
20 provisions of paragraphs (2) and (3), the Secretary shall
21 allot the amount available in each fiscal year under sub-
22 section (a)(1) on the basis of the following factors:

23 (A) One-third of such amount shall be allotted
24 among the States on the basis of the relative num-
25 ber of unemployed individuals who reside in each

1 State as compared to the total number of unem-
2 ployed individuals in all the States.

3 (B) One-third of such amount shall be allotted
4 among the States on the basis of the relative excess
5 number of unemployed individuals who reside in
6 each State as compared to the total excess number
7 of unemployed individuals in all the States. For pur-
8 poses of this paragraph, the term “excess number”
9 means the number which represents unemployed in-
10 dividuals in excess of 4.5 percent of the civilian labor
11 force in the State.

12 (C) One-third of such amount shall be allotted
13 among the States on the basis of the relative num-
14 ber of individuals who have been unemployed for
15 more than 26 weeks and who reside in each State
16 as compared to the total number of such individuals
17 in all the States.

18 (2) As soon as satisfactory data are available under
19 section 133(b)(2), the Secretary shall allot the amount
20 available in each fiscal year under subsection (a)(1) as fol-
21 lows:

22 (A) 25 percent of such amount shall be allotted
23 on the basis of each of the factors described in sub-
24 paragraphs (A), (B), and (C) of paragraph (1), re-

1 spectively, for a total of 75 percent of the amount
2 allotted.

3 (B) 25 percent of such amount shall be allotted
4 on the basis of the relative number of dislocated
5 workers who reside in each State as compared to the
6 total number of dislocated workers in all States.

7 (3)(A) No State shall be allotted less than 90 percent
8 of its allotment percentage for the fiscal year preceding
9 the fiscal year for which the determination is made.

10 (B) No State shall be allotted more than 130 percent
11 of its allotment percentage for the fiscal year preceding
12 the fiscal year for which the determination is made.

13 (C)(i) Except as provided in clause (ii), for purposes
14 of this paragraph the allotment percentage of a State for
15 a fiscal year shall be the percentage of funds allotted to
16 the State under this subsection.

17 (ii) For the purposes of this paragraph, the allotment
18 percentage for fiscal year 1994 shall be the percentage of
19 funds allotted to the State under section 302 of the Job
20 Training Partnership Act.

21 (c) RESERVATIONS FOR STATE ACTIVITIES.—

22 (1) The Governor may reserve up to 30 percent
23 of the amount allotted to the State under subsection
24 (b) to carry out State activities in accordance with
25 this title.

1 (2) Of the amount reserved by the Governor
2 pursuant to paragraph (1)—

3 (A) not more than 15 percent shall be
4 available for the costs of administration of pro-
5 grams authorized under this title;

6 (B) not more than 20 percent shall be
7 available for the costs of administration of pro-
8 grams authorized under this title and the costs
9 of technical assistance; and

10 (C) not more than 5 percent shall be avail-
11 able to carry out the job retention projects au-
12 thorized under section 116.

13 (d) WITHIN STATE DISTRIBUTION.—

14 (1) The Governor shall allocate the remainder
15 of the amount allotted to the State under subsection
16 (b) to substate areas to carry out activities author-
17 ized under this title based on an allocation formula
18 prescribed by the Governor. Such formula may be
19 amended by the Governor not more than once for
20 each program year. Such formula shall include the
21 factors described in subsection (b) and such addi-
22 tional objective and measurable factors as the Gov-
23 ernor determines are appropriate.

24 (2) Of the amount allocated to each substate
25 area pursuant to paragraph (1) for each program

1 year, not more than 15 percent shall be available for
2 the costs of administration.

3 (e) RESERVATION FOR THE TERRITORIES.—Of the
4 amount reserved by the Secretary under subsection (a)(2)
5 for any fiscal year, not more than 0.3 percent shall be
6 allocated among Guam, the Virgin Islands, American
7 Samoa, the Commonwealth of the Northern Mariana Is-
8 lands, the Federated States of Micronesia, the Republic
9 of the Marshall Islands, and Palau to carry out activities
10 authorized under this title.

11 (f) RESERVATIONS FOR NATIONAL ACTIVITIES.—Of
12 the remainder reserved by the Secretary under subsection
13 (a)(2):

14 (1) For each of fiscal years 1995 through
15 1999—

16 (A) not less than 80 percent shall be avail-
17 able for national discretionary grants under sec-
18 tions 131 and 132; and

19 (B) not more than 20 percent shall be
20 available for—

21 (i) evaluation of program perform-
22 ance, research, and pilot and demonstra-
23 tion projects described in section 133; and

1 (ii) capacity building, staff develop-
2 ment and training, and technical assist-
3 ance described under section 134.

4 (2) For fiscal year 2000 and each succeeding
5 fiscal year—

6 (A) not less than 85 percent shall be avail-
7 able for national discretionary grants under sec-
8 tions 131 and 132; and

9 (B) not more than 15 percent shall be
10 available for—

11 (i) evaluation of program perform-
12 ance, research, and pilot and demonstra-
13 tion projects described in section 133; and

14 (ii) capacity building, staff develop-
15 ment and training, and technical assist-
16 ance described under section 134.

17 **SEC. 102. RECAPTURE AND USE OF UNEXPENDED FUNDS.**

18 (a) IN GENERAL.—For program years beginning
19 July 1, 1996, and thereafter, the Secretary shall, in ac-
20 cordance with this section—

21 (1) recapture funds appropriated for such pro-
22 gram years that are available for recapture, and

23 (2) use the funds recaptured under paragraph
24 (1) to carry out the national discretionary grant pro-
25 gram under section 131.

1 (b) AMOUNTS AVAILABLE FOR RECAPTURE.—The
 2 amount available for recapture is equal to—

3 (1) the amount by which the unexpended bal-
 4 ance of the State allotment (under section 101(b))
 5 at the end of the program year prior to the program
 6 year for which the determination under this section
 7 is made exceeds 20 percent of such allotment for
 8 that prior program year, plus

9 (2) the unexpended balance of the State allot-
 10 ment from any program year prior to the program
 11 year in which there is such excess.

12 (c) EXCLUSION.—For purposes of this section, funds
 13 awarded to the State from the discretionary funds of the
 14 Secretary pursuant to sections 131 and 132 shall not be
 15 included in calculating the amounts available for recap-
 16 ture.

17 (d) METHOD OF RECAPTURE.—The Secretary may,
 18 as a method of recapturing funds for the purposes of sub-
 19 section (a)(1), reduce the allotment to the State under sec-
 20 tion 101(b) for the program year subsequent to the pro-
 21 gram year for which the determination is made by an
 22 amount equal to the amount available for recapture.

23 **SEC. 103. ELIGIBILITY FOR SERVICES.**

24 (a) IN GENERAL.—An individual shall be eligible to
 25 receive services under this title if such individual—

1 (1) has been permanently laid off from full-
2 time, part-time, or seasonal (including farmworkers
3 and fishermen) employment within the preceding
4 twelve-month period, and—

5 (A) such individual is unlikely to obtain
6 employment in the same or similar occupation
7 due to obsolete skills or a lack of employment
8 opportunities; or

9 (B) such layoff resulted from any perma-
10 nent closure or any substantial layoff at the
11 plant, facility or enterprise;

12 (2) has received a notice that such individual
13 will be permanently laid off, and—

14 (A) such individual is unlikely to obtain
15 employment in the same or similar occupation
16 due to obsolete skills or a lack of employment
17 opportunities; or

18 (B) such layoff will result from any perma-
19 nent closure or substantial layoff at a plant, fa-
20 cility, or enterprise;

21 (3) is employed at a facility where the employer
22 has publicly announced that such facility will be
23 closed within one year and such individual is un-
24 likely to—

1 (A) remain employed with such employer
2 at another location; or

3 (B) retire permanently from the labor
4 force on or before such closure;

5 (4) is long-term unemployed and has limited op-
6 portunities for employment in the same or similar
7 occupation in which such individual was previously
8 employed;

9 (5) was self-employed (including farmers, fish-
10 ermen and ranchers) and is unemployed as a result
11 of general economic conditions in the community in
12 which such individual resides or because of natural
13 disasters;

14 (6) is certified as eligible under the transitional
15 certification of trade impacted workers program au-
16 thorized under part D of title II of this Act; or

17 (7) was identified and referred to the program
18 under this title, in accordance with regulations is-
19 sued by the Secretary, by a State worker profiling
20 system established under section 303(j) of the Social
21 Security Act.

22 (b) DISPLACED HOMEMAKERS.—An individual who is
23 a displaced homemaker shall be eligible to receive services
24 described in section 119(b) and such other services au-

1 thorized under this title as the Governor determines are
2 appropriate to provide to such individuals if—

3 (1) the displacement occurred within the pre-
4 ceding twelve-month period,

5 (2) such individual is unemployed, and

6 (3) such individual meets the requirements re-
7 lating to services provided under this title, other
8 than the requirements of subsection (a).

9 (c) DEFINITIONS.—For purposes of this section:

10 (1) The term “permanently laid off” means a
11 layoff under which a recall is not expected within
12 twenty-six weeks.

13 (2) The term “long-term unemployed” means a
14 period of unemployment defined by the Governor,
15 except that such period shall not be less than twen-
16 ty-seven weeks.

17 (3) The term “displaced homemakers” has the
18 same meaning given such term in section 4(29) of
19 the Job Training Partnership Act.

20 **PART A—STATE AND SUBSTATE DELIVERY**

21 **SYSTEM**

22 **SEC. 111. STATE ADMINISTRATION AND OVERSIGHT.**

23 The State shall be responsible for developing and op-
24 erating administrative and management systems which en-
25 sure proper control and accountability for the use of

1 funds, in accordance with the requirements of part E of
2 this title, and the accomplishment of the objectives of this
3 title.

4 **SEC. 112. DESIGNATION AND FUNCTIONS OF STATE DIS-**
5 **LOCATED WORKER UNIT.**

6 (a) IN GENERAL.—The Governor shall designate or
7 establish a dislocated worker unit at the State level (here-
8 after referred to as the “State dislocated worker unit”)
9 to carry out the functions described in this section.

10 (b) FUNCTIONS OF UNIT.—

11 (1) RAPID RESPONSE.—The State dislocated
12 worker unit shall carry out the following rapid re-
13 sponse activities:

14 (A) Receive notices provided pursuant to
15 the Worker Adjustment and Retraining Notifi-
16 cation Act and collect information identifying
17 the site of other permanent closures and layoffs
18 affecting fifty or more workers.

19 (B) Establish contact with representatives
20 of the employer, affected workers and affected
21 unions, and affected substate grantees within
22 forty-eight hours of being informed of or other-
23 wise identifying such closure or layoff.

24 (C) Provide assistance on site within five
25 working days of being informed of or otherwise

1 identifying such closure or layoff (unless rep-
2 resentatives of the affected workers agree to
3 defer the commencement of assistance), includ-
4 ing—

5 (i) the provision of information relat-
6 ing to, and assistance in obtaining access
7 to, available programs and services;

8 (ii) the provision of appropriate reem-
9 ployment services on an emergency basis;
10 and

11 (iii) the provision of basic reemploy-
12 ment services in a group setting.

13 (D) Promote the formation of worker-man-
14 agement transition assistance committees,
15 which meet the requirements of subsection (d),
16 by—

17 (i) providing immediate assistance in
18 the establishment of such committees, in-
19 cluding—

20 (I) providing immediate financial
21 assistance to cover startup costs of
22 the committee;

23 (II) providing a list of individuals
24 from which the chairperson of the
25 committee may be selected; and

- 1 (III) requesting the list of com-
2 mittee members from the employer
3 and union, or providing assistance in
4 the selection of worker representatives
5 in the event no union is present; and
6 (ii) providing technical assistance in
7 the development by such committees of a
8 strategy for assessing the employment and
9 training needs of each affected worker and
10 for obtaining the services and assistance
11 necessary to meet those needs, which may
12 include—
13 (I) providing technical advice as
14 well as information on sources of as-
15 sistance, and
16 (II) serving as liaison with other
17 public and private services and pro-
18 grams.
19 (E) Prepare an action plan for the provi-
20 sion of reemployment and training services to
21 eligible individuals, including group counseling,
22 preliminary assessments, and labor market in-
23 formation, which may include assistance in
24 planning for the establishment of an on-site
25 transition center described in section 115(c).

1 (2) INFORMATION COLLECTION AND DISSEMI-
2 NATION.—The State dislocated worker unit shall
3 carry out the following information collection and
4 dissemination activities:

5 (A) Provide to employers and employees
6 throughout the State information relating to
7 the Worker Adjustment and Retraining Notifi-
8 cation Act, including the requirements of such
9 Act, and information relating to the eligibility
10 requirements and services and benefits available
11 under this title.

12 (B) Collect information relating to—
13 (i) economic dislocation, including po-
14 tential closings and layoffs and the impact
15 of closures and layoffs to which such unit
16 has responded, and
17 (ii) available programs and resources
18 within the State to serve affected workers.

19 (C) Disseminate the information collected
20 pursuant to subparagraph (B) to the Governor
21 to assist in providing an adequate information
22 base for effective program management, review,
23 and evaluation.

1 (D) Disseminate information throughout
2 the State on the services and activities carried
3 out by the State dislocated worker unit.

4 (3) PROGRAM SUPPORT.—The State dislocated
5 unit shall carry out the following program support
6 activities:

7 (A) Provide technical assistance and advice
8 to substate grantees.

9 (B) Work with employers and representa-
10 tives of employees in promoting labor-manage-
11 ment cooperation to achieve the objectives of
12 this title.

13 (C) Assist each local community affected
14 by a mass layoff or plant closing in developing
15 and implementing an adjustment plan, includ-
16 ing assistance in obtaining access to State eco-
17 nomic development assistance.

18 (4) COORDINATION.—The State dislocated
19 worker unit shall exchange information and coordi-
20 nate programs with—

21 (A) the appropriate economic development
22 agency and job retention projects authorized
23 under section 116, for the purpose of identify-
24 ing potential layoffs and for the purpose of de-
25 veloping strategies to avert plant closings or

1 mass layoffs and to accelerate the reemploy-
2 ment of dislocated workers;

3 (B) State education, training and social
4 services programs;

5 (C) State labor federations;

6 (D) State-level general purpose business
7 organizations; and

8 (E) all other programs available to assist
9 dislocated workers, including the Employment
10 Service, the unemployment insurance system,
11 one-stop career centers established under title
12 III of this Act, and student financial aid pro-
13 grams.

14 (c) COORDINATION WITH CAREER CENTERS.—In
15 carrying out this section, the State dislocated worker unit
16 shall coordinate its actions with the affected substate
17 grantees and career centers.

18 (d) WORKER-MANAGEMENT TRANSITION ASSIST-
19 ANCE COMMITTEES.—The worker-management transition
20 assistance committees promoted by the State dislocated
21 worker unit pursuant to subsection (b)(1)(D) shall ordi-
22 narily include (but not be limited to) the following:

23 (1) Shared and equal participation by workers
24 (and their representatives) and management, and

1 which may include participation from community
2 representatives as appropriate.

3 (2) Shared financial participation between the
4 employer and the State, using funds provided under
5 this title in paying for the operating expenses of the
6 committee.

7 (3) A chairperson, to oversee and guide the ac-
8 tivities of the committee, who shall—

9 (A) be jointly selected by the worker and
10 management representatives of the committee,

11 (B) not be employed or under contract
12 with or members of the immediate family of
13 labor or management at the site, and

14 (C) provide advice and leadership to the
15 committee and prepare a report on its activities.

16 (4) Operations pursuant to a formal agreement,
17 terminated at will by the workers or management,
18 and terminated for cause by the Governor.

19 (e) COVERAGE OF LAYOFFS.—The Governor may au-
20 thorize the provision of the rapid response activities de-
21 scribed in subsection (b)(1) to layoffs of less than fifty
22 workers if such layoffs are determined by the Governor
23 to have a significant adverse economic impact on a local
24 community.

1 (f) PLANT BUYOUT STUDY.—In a situation involving
2 an impending permanent closure or substantial layoff, a
3 State may provide funds, where other public or private re-
4 sources are not expeditiously available, for a preliminary
5 assessment of the advisability of having a company or
6 group, including the workers, purchase the plant and con-
7 tinue it in operation. Such assessment shall not include
8 a feasibility study relating to such purchase.

9 (g) PROHIBITION ON TRANSFER OF RESPONSIBIL-
10 ITY.—The State shall not transfer the responsibility for
11 the rapid response assistance functions of the State unit
12 under this section to another entity, but the State may
13 carry out such functions through agreement, grant, con-
14 tract, or other arrangement with another entity, such as
15 a substate grantee or a career center.

16 (h) FEDERAL OVERSIGHT OF RAPID RESPONSE.—
17 The Secretary shall oversee the administration by each
18 State of the rapid response assistance services provided
19 in such State and evaluate the effectiveness, efficiency,
20 and timeliness of the delivery of such services. The Sec-
21 retary may establish performance standards relating to
22 the provision of such services by the State. If the Sec-
23 retary determines that such services are not being per-
24 formed adequately, the Secretary shall implement appro-
25 priate corrective action.

1 **SEC. 113. DEVELOPMENT AND MAINTENANCE OF STATE**
2 **AND LOCAL LABOR MARKET INFORMATION**
3 **SYSTEMS.**

4 (a) IN GENERAL.—In furtherance of the national
5 strategy described in section 402 of this Act to establish
6 a nationwide system of effective labor market information,
7 the Governor shall identify, or develop, and maintain a
8 comprehensive labor market information system in the
9 State that—

10 (1) promotes the collection, use, exchange, and
11 dissemination of quality labor market information
12 that will enhance the employment opportunities
13 available to permanently laid off workers and other
14 individuals seeking employment, and

15 (2) provides support for needed improvements
16 or adjustments in current labor market information
17 systems and integrates such systems to meet local
18 and State labor market needs.

19 (b) CONTENT.—The labor market information de-
20 scribed in subsection (a)(1) shall include the information
21 specified in section 403(a) of this Act relating to the na-
22 tional labor market information system.

23 (c) STANDARDS FOR INFORMATION COLLECTION AND
24 DISSEMINATION.—The Governor shall ensure that data
25 collection and dissemination systems are developed in ac-
26 cordance with the technical standards specified in section

1 403(b) of this Action relating to the national labor market
2 information system.

3 (d) COORDINATION OF DATA COLLECTION AND SUR-
4 VEY CONSOLIDATION.—Consistent with the technical
5 standards specified in section 403(b), the Governor shall
6 ensure, to the extent feasible that—

7 (1) automated technology will be used in data
8 collection and dissemination;

9 (2) the State dislocated worker unit, the sub-
10 state grantees, and the career centers under this
11 title have timely access to and exchange information
12 relating to quality labor market information;

13 (3) administrative records are designed to re-
14 duce paperwork; and

15 (4) available administrative data and multiple
16 surveys are shared or consolidated to reduce duplica-
17 tion of recordkeeping of State and local agencies.

18 (e) DESIGN OF STATE SYSTEM.—The Governor shall
19 designate an agent within the State to be responsible for
20 oversight and management of a statewide comprehensive
21 labor market and occupational information system that—

22 (1) meets the requirements of this section;

23 (2) provides such training and technical assist-
24 ance necessary to facilitate the collection of data and

1 the dissemination of information through the pro-
2 grams assisted under this title;

3 (3) provides funding for the State share of the
4 cooperative agreements authorized in section 402;
5 and

6 (4) funds research, evaluation, and demonstra-
7 tion projects designed to make improvements in the
8 statewide labor market information system.

9 (f) COORDINATION OF RESOURCES.—The Governor
10 shall coordinate the activities carried out under this title
11 with the labor market information activities carried out
12 in the State pursuant to other Federal laws and with the
13 national labor market information program described in
14 title IV of this Act. In maintaining the system described
15 under this section, the Governor may use funds that are
16 otherwise available to the Governor for such purposes
17 under other Federal laws, such as the Job Training Part-
18 nership Act and the Wagner-Peyser Act.

19 (g) METHODS OF COLLECTION AND DISSEMINA-
20 TION.—In order to facilitate the collection and dissemina-
21 tion of the data described in subsection (b), the Governor
22 shall—

23 (1) identify and utilize cost-effective methods
24 for obtaining such data as are necessary to carry out
25 this section which, notwithstanding any other provi-

1 sion of law, may include access to earnings records,
2 State employment security records, records collected
3 under the Federal Insurance Contributions Act
4 (chapter 21 of the Internal Revenue Code of 1986),
5 State aid to families with dependent children
6 records, secondary and post-secondary education
7 records, and similar records or measures, with ap-
8 propriate safeguards to protect the confidentiality of
9 the information obtained; and

10 (2) publish and make available labor market
11 and occupational supply and demand information
12 and career information to State agencies, public
13 agencies, libraries, employers, and individuals who
14 are in the process of making career choices.

15 **SEC. 114. COORDINATION WITH WORKER PROFILING AND**
16 **RETRAINING INCOME SUPPORT PROGRAMS.**

17 (a) **WORKER PROFILING.**—The Governor shall co-
18 ordinate programs under this title with the worker
19 profiling system authorized under title III of the Social
20 Security Act. Such coordination shall include methods for
21 ensuring the prompt referral, in accordance with regula-
22 tions issued by the Secretary, of the claimants identified
23 under such profiling system to career centers authorized
24 under this title, and the sharing of relevant information.

1 (b) RETRAINING INCOME SUPPORT.—The Governor
 2 shall coordinate programs under this title with the retrain-
 3 ing income support program authorized under part A of
 4 title II of this Act.

5 **SEC. 115. STATE SUPPLEMENTARY GRANTS FOR AREAS OF**
 6 **SPECIAL NEED.**

7 (a) IN GENERAL.—The Governor may award grants
 8 to provide the services authorized under section 119 to eli-
 9 gible individuals in areas of the State experiencing sub-
 10 stantial increases in the number of eligible individuals due
 11 to plant closures, base closures and mass layoffs.

12 (b) ELIGIBLE ENTITIES.—The grants authorized
 13 under subsection (a) may be awarded to—

14 (1) the substate grantees in the areas affected
 15 by such closures and mass layoffs;

16 (2) employers and employer associations;

17 (3) transition assistance committees and other
 18 employer-employee entities;

19 (4) representatives of employees;

20 (5) industry consortia; and

21 (6) State agencies.

22 (c) ESTABLISHMENT OF ADDITIONAL SERVICE CEN-
 23 TERS.—

24 (1) IN GENERAL.—The Governor may use the
 25 grant funds available under this section to establish

1 a center, including an on-site transition center de-
2 scribed in paragraph (2), at the site of a plant clo-
3 sure, base closure or mass layoff to provide the serv-
4 ices described in section 119. Such center shall be
5 established after formal consultation with the sub-
6 state grantee for the affected area and shall be oper-
7 ated in coordination with the career centers in the
8 affected area.

9 (2) ON-SITE TRANSITION CENTERS.—Funds
10 available under this section may be used to establish
11 a transition center that—

12 (A) is located at the site of a plant closure,
13 base closure, or mass layoff for the purpose of
14 providing reemployment services to eligible indi-
15 viduals affected by such layoff or closure,

16 (B) includes substantial funding from
17 sources other than public funds,

18 (C) is operated with the concurrence and
19 participation of affected workers and their rep-
20 resentatives and the affected employer, includ-
21 ing the worker-management transition assist-
22 ance committee established in accordance with
23 section 112(d) if such committee is established.

24 (D) provides the reemployment services de-
25 scribed in sections 119 (b) and (c) directly or

1 through contracts with other entities, such as
2 outplacement agencies, and

3 (E) is administered in coordination with
4 the career centers in the substate area, includ-
5 ing arrangements to ensure that the affected
6 workers have the opportunity to receive services
7 at the career centers in addition to or in lieu of
8 receiving such services at the transition center.

9 **SEC. 116. STATE GRANTS FOR JOB RETENTION PROJECTS.**

10 (a) IN GENERAL.—The Governor may, consistent
11 with the limitation contained in section 101(c)(2)(B),
12 award grants to assist projects that—

13 (1) provide services to upgrade the skills of em-
14 ployed workers who are at risk of being permanently
15 laid off; and

16 (2) assist in retraining employed workers in
17 new technologies and work processes that will facili-
18 tate the conversion or restructuring of businesses
19 into high performance work organizations and avert
20 plant closings or substantial layoffs.

21 (b) STATE AND EMPLOYER CONTRIBUTION RE-
22 QUIRED.—In order for a project to be eligible for assist-
23 ance under subsection (a), the amount of the grant to be
24 awarded shall be matched by an equal amount provided
25 by a combination of—

1 (1) funds provided by the State, from funds
2 other than Federal funds; and

3 (2) funds provided by the affected employers or
4 businesses.

5 (c) CONSULTATIONS.—Prior to awarding grants
6 under this section, the Governor shall consult with unions
7 representing affected workers regarding the proposed
8 projects.

9 **SEC. 117. ESTABLISHMENT OF SUBSTATE ADMINISTRATIVE**
10 **STRUCTURE.**

11 (a) DESIGNATION OF SUBSTATE AREAS.—

12 (1) The Governor of each State shall, after con-
13 sultation with the State council and local elected of-
14 ficials, designate substate areas for the State.

15 (2) Each service delivery area within a State
16 shall be included within a substate area and no serv-
17 ice delivery area shall be divided among two or more
18 substate areas.

19 (3) In making designations of substate areas,
20 the Governor shall consider—

21 (A) the availability of services throughout
22 the State;

23 (B) the capability to coordinate the deliv-
24 ery of services with other job training, human

1 services and economic development programs;
2 and

3 (C) the geographic boundaries of labor
4 market areas within the State.

5 (4) Subject to paragraphs (2) and (3), the Gov-
6 ernor—

7 (A) shall designate as a substate area any
8 single service delivery area that—

9 (i) has a population of two hundred
10 thousand or more, and

11 (ii) requests such designation;

12 (B) shall designate as a substate area any
13 two or more contiguous service delivery areas—

14 (i) that in the aggregate have a popu-
15 lation of two hundred thousand or more,
16 and

17 (ii) that request such designation; and

18 (C) shall designate as a substate area any
19 concentrated employment program grantee for
20 a rural area described in section
21 101(a)(4)(A)(iii) of the Job Training Partner-
22 ship Act.

23 (5) The Governor may deny a request for des-
24 ignation under paragraph (4)(B) if the Governor de-
25 termines that such designation would not be consist-

1 ent with the effective delivery of services to eligible
2 dislocated workers in various labor market areas (in-
3 cluding urban and rural areas) within the State, or
4 would not otherwise be appropriate to carry out the
5 purposes of this title.

6 (6) The Governor shall not designate as a sub-
7 state area any area with a population of less than
8 two hundred thousand unless such area meets the
9 requirements of paragraph (4)(C).

10 (7) From the funds reserved under section
11 101(c)(1), the Governor may award grants to en-
12 courage the formation of substate areas that are
13 based on labor market areas.

14 (8) The Governor may designate as substate
15 areas under this title areas designated as substate
16 areas under title III of the Job Training Partnership
17 Act prior to the enactment of this Act if such areas
18 meet the requirements of this subsection.

19 (9) The designations made under this sub-
20 section may not be revised more than once every
21 four years.

22 (b) DESIGNATION OF SUBSTATE GRANTEEES.—

23 (1) AGREEMENT.—A substate grantee shall be
24 designated, on a quadrennial basis, for each substate
25 area. Such substate grantee shall be designated in

1 accordance with an agreement among the Governor,
2 the local elected official or officials of such area, and
3 the private industry council or councils of such area.
4 Whenever a substate area is represented by more
5 than one such official or council, the respective offi-
6 cials and councils shall each designate representa-
7 tives, in accordance with procedures established by
8 the Governor (after consultation with the State
9 council), to negotiate such agreement. In the event
10 agreement cannot be reached on the selection of a
11 substate grantee, the Governor shall select the sub-
12 state grantee.

13 (2) ELIGIBILITY.—Entities eligible for designa-
14 tion as substate grantees include—

15 (A) private industry councils in the sub-
16 state area;

17 (B) service delivery area grant recipients
18 or administrative entities under the Job Train-
19 ing Partnership Act;

20 (C) private nonprofit organizations;

21 (D) units of general local government in
22 the substate area, or agencies thereof;

23 (E) local offices of State agencies;

24 (F) other public agencies, such as commu-
25 nity colleges and area vocational schools; and

1 (G) consortia of the entities described in
2 subparagraphs (A) through (F).

3 (c) FUNCTIONS OF SUBSTATE GRANTEES.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the substate grantees designated pursu-
6 ant to this subsection shall—

7 (A) receive and administer funds allocated
8 to the substate area, including the administra-
9 tion of payments to service providers in accord-
10 ance with section 119(d)(2);

11 (B) administer the process for the selection
12 of career center operators established pursuant
13 to section 118;

14 (C) conduct oversight and monitoring of
15 the program carried out within the substate
16 area and coordinate the operation of the career
17 centers established within the substate area;
18 and

19 (D) prepare and make publicly available a
20 biennial written plan describing the objectives
21 to be accomplished and the activities to be un-
22 dertaken in the substate area under this title.

23 (2) SPECIAL RULE.—

24 (A) SELECTION PROCESS FOR CAREER
25 CENTER OPERATORS.—If a substate grantee de-

sires to be selected to operate a career center, the process for the selection of career center operators in the substate area shall be administered by the private industry council or councils established in such substate area. If such substate grantee is such private industry council, the process for the selection of career center operators in the substate area shall be administered by the Governor.

(B) OVERSIGHT.—If a substate grantee is selected to operate a career center, the oversight of the career centers in the substate area shall be carried out by the Governor.

SEC. 118. ESTABLISHMENT OF CAREER CENTERS.

(a) IN GENERAL.—The substate grantee designated pursuant to section 117 shall, in accordance with the requirements of this section, establish one or more career centers in each substate area.

(b) FUNCTIONS OF CENTERS.—Each career center shall be the point of access for eligible individuals to the services provided pursuant to section 119.

(c) SELECTION OF CENTERS.—

(1) SELECTION PROCESS.—The substate grantee shall select the career center operators in accordance with the requirements of this subsection.

1 (2) ELIGIBLE ENTITIES.—Any entity or consor-
2 tium of entities located in the substate area may
3 apply, in accordance with the procedures described
4 in paragraph (3), to be selected as a career center
5 operator. Such entities may include—

6 (A) Employment Service offices,

7 (B) service delivery area grant recipients
8 or administrative entities under the Job Train-
9 ing Partnership Act,

10 (C) substate grantees under this title,

11 (D) community colleges and area voca-
12 tional schools,

13 (E) community-based and other private,
14 nonprofit organizations, and

15 (F) other interested private for-profit and
16 public organizations and entities.

17 (3) PUBLICATION OF PROCEDURES.—The sub-
18 state grantee, after consultation with the Governor
19 and local elected officials, shall publish, in a manner
20 that is generally available, information to notify or-
21 ganizations and individuals in the substate area of—

22 (A) the estimated number of career centers
23 to be established in the substate area;

24 (B) the application procedure for any en-
25 tity or consortium of entities desiring to be se-

1 lected to operate such centers, including when
2 and where such application is to be submitted
3 and what information such application is to
4 contain;

5 (C) the criteria for selection that will be
6 used, consistent with paragraph (4); and

7 (D) other information the substate grantee
8 considers relevant to the selection of operators
9 and administration of such centers.

10 (4) SELECTION CRITERIA.—

11 (A) OBJECTIVE FACTORS.—The substate
12 grantee, consistent with guidelines issued by the
13 Secretary, shall use objective criteria and per-
14 formance measures in assessing applications
15 submitted for selection as a career center opera-
16 tor.

17 (B) CONTENTS.—An applicant may not be
18 selected as a career center operator under this
19 title unless such applicant demonstrates to the
20 satisfaction of the substate grantee the ability
21 to operate a career center that would—

22 (i) provide the services described in
23 section 119;

1 (ii) utilize automated information sys-
2 tems to facilitate the exchange of informa-
3 tion among career centers;

4 (iii) meet the performance standards
5 prescribed pursuant to section 152;

6 (iv) meet the fiscal control require-
7 ments provided in part E;

8 (v) administer the process of referring
9 participants to education and training
10 services in an objective and equitable man-
11 ner; and

12 (vi) meet such other requirements as
13 the substate grantee determines is appro-
14 priate.

15 (C) LEVEL OF WAGES AND BENEFITS.—
16 The level of wages and benefits paid to non-
17 managerial employees by an applicant may not
18 be considered as a factor in the selection of a
19 career center operator. Other cost factors may
20 be taken into account in such selection.

21 (5) PERIOD OF SELECTION.—The substate
22 grantee shall select career center operators pursuant
23 to the requirements of this subsection once every
24 four years.

1 (6) ENFORCEMENT OF HONEST BROKER FUNC-
2 TIONS.—The substate grantee shall review, at least
3 once each program year, the education and training
4 referral practices of any career center that is oper-
5 ated by an entity that concurrently provides edu-
6 cation and training services to participants under
7 this title. If the substate grantee determines that
8 such center has engaged in a pattern of inappropri-
9 ate referrals to the education and training services
10 provided by the operator of such center, the substate
11 grantee may terminate the agreement to operate
12 such center or may require such operator to cease
13 providing education and training services to partici-
14 pants under this title as a condition for continuing
15 to operate such center.

16 (d) ON-SITE TRANSITION CENTERS.—In addition to
17 the career centers established under this section, a sub-
18 state grantee may use funds allocated to the substate area
19 to establish temporary, on-site transition centers that
20 meet the requirements described in section 115(c)(2).
21 Such centers may be established pursuant to grants, con-
22 tracts, or other arrangements with the entities described
23 in subsection (c)(2) of this section.

1 **SEC. 119. SERVICES TO BE PROVIDED TO ELIGIBLE INDIVIDUALS.**
2

3 (a) IN GENERAL.—Funds allocated to substate areas
4 pursuant to section 101(d) may be used to provide—

5 (1) basic reemployment services in accordance
6 with subsection (b);

7 (2) intensive reemployment services in accordance
8 with subsection (c);

9 (3) education and training services in accordance
10 with subsection (d);

11 (4) retraining income support in accordance
12 with subsection (e);

13 (5) supportive services in accordance with subsection (f); and
14

15 (6) supplemental wage allowances for older
16 workers in accordance with subsection (g).

17 (b) BASIC REEMPLOYMENT SERVICES.—Each career
18 center established pursuant to this title shall make available
19 to eligible individuals the following services:

20 (1) Outreach and provision of information to
21 make individuals aware of, and encourage the use of,
22 reemployment and training services, including efforts
23 to expand awareness of training and placement opportunities
24 for hard-to-serve individuals such as
25 those with limited English proficiency and those with
26 disabilities.

1 (2) Intake and determination of eligibility for
2 assistance under this title.

3 (3) Orientation to the information and services
4 available through such center.

5 (4) Assistance in filing an initial claim for un-
6 employment compensation.

7 (5) A preliminary assessment of the skill levels
8 (including appropriate testing) and service needs of
9 such individuals, which may include such factors as
10 basic skills, occupational skills, prior work experi-
11 ence, employability, interests, aptitudes, and sup-
12 portive service needs.

13 (6) Information relating to local, regional and
14 national labor markets, including—

15 (A) job vacancy listings in such markets,
16 and

17 (B) information relating to local occupa-
18 tions in demand and the earnings and skill re-
19 quirements for such occupations.

20 (7) Job search assistance, including resume and
21 interview preparation, and workshops.

22 (8) Job referral and job placement assistance.

23 (9) Information relating to education and job
24 training programs, including the eligibility require-
25 ments of and services provided by such programs,

1 the availability and quality of such programs, and
2 student financial assistance available for such pro-
3 grams.

4 (10) Assistance in evaluating whether such indi-
5 viduals are likely to be eligible for any employment
6 and training programs administered by the Sec-
7 retary other than this title.

8 (11) Information collected pursuant to the per-
9 formance standards and quality assurance require-
10 ments of part C of this title.

11 (12) Information relating to programs and pro-
12 viders of dependent care and other supportive serv-
13 ices available in the local area.

14 (13) Group counseling, which may include peer
15 counseling, and which shall be available to such indi-
16 viduals jointly with their immediate families, includ-
17 ing group counseling relating to stress management
18 and financial management.

19 (14) Soliciting and accepting job orders submit-
20 ted by employers in the substate area, and referring
21 individuals in accordance with such orders.

22 (c) INTENSIVE REEMPLOYMENT SERVICES.—

23 (1) IN GENERAL.—Each career center estab-
24 lished pursuant to this title shall make available, to
25 eligible individuals who have received basic reemploy-

1 ment services under subsection (b) and have been
2 unable to obtain employment through such services,
3 the following services:

4 (A) Comprehensive and specialized assess-
5 ments of the skill levels and service needs of in-
6 dividuals, which may include—

7 (i) diagnostic testing and other assess-
8 ment tools; and

9 (ii) in-depth interviewing and evalua-
10 tion to identify employment barriers and
11 appropriate employment goals.

12 (B) The development of an individual re-
13 employment plan, which shall identify the em-
14 ployment goal (including, in appropriate cir-
15 cumstances, nontraditional employment), appro-
16 priate achievement objectives, and the appro-
17 priate combination of services for a participant
18 to achieve the employment goal.

19 (C) Individualized counseling and career
20 planning, including peer counseling and coun-
21 seling and planning relating to nontraditional
22 employment opportunities.

23 (D) Case management for individuals re-
24 ceiving education, training and supportive serv-
25 ices.

1 (E) Job development.

2 (F) Out-of-area job search allowances.

3 (G) Relocation allowances.

4 (H) Assistance in the selection of edu-
5 cation and training providers.

6 (I) Assistance in obtaining income support
7 for which the individual is eligible, including
8 student financial assistance, to enable such in-
9 dividual to participate in training.

10 (J) Followup counseling for individuals
11 placed in training or employment.

12 (2) ADDITIONAL CONDITIONS.—

13 (A) REEMPLOYMENT PLAN.—

14 (i) JOINT DEVELOPMENT.—The indi-
15 vidual reemployment plan described in
16 paragraph (1)(B) shall be developed jointly
17 by the eligible individual and a career
18 counselor. Both parties shall sign the plan
19 and periodically review the progress of the
20 individual in achieving the objectives set
21 forth in the plan. In the event of a dis-
22 agreement over the content of the plan, the
23 eligible individual shall be provided an op-
24 portunity to appeal the career counselor's
25 recommendation pursuant to section 164.

1 (ii) EMPLOYMENT GOAL.—The em-
2 ployment goal identified under an individ-
3 ual reemployment plan described under
4 paragraph (1)(B) shall relate to employ-
5 ment in an occupation for which there is a
6 demand in the local area, or in another
7 area to which the individual is willing to
8 relocate.

9 (iii) PROHIBITION ON PRIVATE AC-
10 TIONS.—Nothing in this section shall be
11 construed to establish a right for an indi-
12 vidual to bring a private action to obtain
13 the services described in the reemployment
14 plan.

15 (B) OUT-OF-AREA JOB SEARCH ALLOW-
16 ANCE.—

17 (i) IN GENERAL.—Out-of-area job
18 search allowances provided under para-
19 graph (1)(F) shall provide reimbursement
20 to the individual of not more than 90 per-
21 cent of the cost of necessary job search ex-
22 penses, up to a maximum payment speci-
23 fied by the Secretary in regulations.

1 (ii) CRITERIA FOR GRANTING JOB
2 SEARCH ALLOWANCES.—A job search al-
3 lowance may be granted only—

4 (I) to assist an eligible individual
5 in securing a job within the United
6 States; and

7 (II) where the career center de-
8 termines that such employee cannot
9 reasonably be expected to secure suit-
10 able employment in the commuting
11 area in which the worker resides.

12 (C) RELOCATION ALLOWANCE.—

13 (i) IN GENERAL.—Relocation allow-
14 ances provided under paragraph (1)(G)
15 may only be granted to assist an eligible
16 individual in relocating within the United
17 States and only if the career center deter-
18 mines that such employee—

19 (I) cannot reasonably be expected
20 to secure suitable employment in the
21 commuting area in which the em-
22 ployee resides;

23 (II) has obtained suitable em-
24 ployment affording a reasonable ex-
25 pectation of long-term duration in the

1 area in which the employee wishes to
2 relocate, or has obtained a bona fide
3 offer of such employment, and

4 (III) is totally separated from
5 employment at the time relocation
6 commences.

7 (ii) AMOUNT OF RELOCATION ALLOW-
8 ANCE.—The amount of any relocation al-
9 lowance for any eligible individual may not
10 exceed an amount which is equal to the
11 sum of—

12 (I) 90 percent of the reasonable
13 and necessary expenses, specified in
14 regulations prescribed by the Sec-
15 retary, incurred in transporting an in-
16 dividual and the individual's family, if
17 any, and household effects, and

18 (II) a lump sum equivalent to
19 three times the employee's average
20 weekly wage in the previous job, up to
21 a maximum payment specified by the
22 Secretary in regulations.

23 (d) EDUCATION AND TRAINING.—

24 (1) AVAILABLE SERVICES.—Each career center
25 shall make available a list of eligible providers of—

1 (A) basic skills training, including remedial
2 education, literacy training, and English-as-a-
3 second language instruction;

4 (B) occupational skills training, provided
5 either in a classroom or on-the-job; and

6 (C) other skills-based education and train-
7 ing that such center considers appropriate,
8 which may include entrepreneurial training and
9 training in skills required for high performance
10 work organizations, such as problem solving
11 and skills related to the use of new tech-
12 nologies.

13 (2) REFERRALS.—An eligible individual who
14 has an individual reemployment plan developed pur-
15 suant to subsection (c)(1)(B) that specifies edu-
16 cation and training services as are necessary to the
17 reemployment of such individual shall, in consulta-
18 tion with a career counselor, select a service provider
19 for such services from the list described in para-
20 graph (1). The career centers shall refer such indi-
21 viduals to such service providers and arrange with
22 the substate grantee for payment to the provider for
23 the services provided consistent with the limitation
24 contained in paragraph (5).

1 (3) ELIGIBLE PROVIDERS.—For the purposes of
2 this title, an eligible provider of education and train-
3 ing services is a provider that meets the require-
4 ments of section 154.

5 (4) CONTRACT EXCEPTIONS.—Education and
6 training services authorized under this title may be
7 provided pursuant to a contract for services between
8 the substate grantee and an eligible service provider
9 in lieu of the referral procedures described in para-
10 graph (2) if such services—

11 (A) are customized by a provider to meet
12 the particular needs of a specific group of eligi-
13 ble individuals in the substate area; or

14 (B) are on-the-job training provided by an
15 employer.

16 (5) CAP ON TRAINING.—

17 (A) LIMITATION.—The program under this
18 title shall not pay an amount in excess of
19 \$4,750 for the provision of education and train-
20 ing to any individual under this subsection over
21 any twelve-month period.

22 (B) RELATIONSHIP TO STUDENT FINAN-
23 CIAL ASSISTANCE.—

24 (i) For purposes of determining a stu-
25 dent's need for grant, loan, or work assist-

1 ance under title IV of the Higher Edu-
2 cation Act of 1965, the funds provided to
3 a participant for education and training
4 under this subsection shall be considered to
5 be estimated financial assistance not re-
6 ceived under such title IV for the purpose
7 of section 471 (3) of such Act.

8 (ii) Notwithstanding section 401(b) of
9 such Act, the funds provided to a partici-
10 pant for education and training under this
11 subsection shall be applied to reduce the
12 student's cost of attendance (as defined in
13 section 472 of such Act) prior to determin-
14 ing the amount of a student's Federal Pell
15 Grant award under subpart 1 of part A of
16 title IV of such Act, except that such re-
17 duction shall not result in a negative num-
18 ber.

19 (iii) Nothing in this Act shall be con-
20 strued to modify the eligibility require-
21 ments applicable to students, programs of
22 study, or institutions of higher education
23 under title IV of such Act.

24 (6) LIMIT ON LENGTH OF TRAINING.—No par-
25 ticipant may receive assistance from funds under

1 this title for education or training for more than one
2 hundred and four weeks in a five-year period.

3 (7) APPROVED TRAINING.—

4 (A) RELATIONSHIP TO INCOME SUPPORT
5 PROGRAM UNDER TITLE II.—For the purposes
6 of the program authorized under part A of title
7 II, the career centers shall be considered an
8 agency certified by the Secretary to develop a
9 reemployment plan.

10 (B) RELATIONSHIP TO UNEMPLOYMENT
11 COMPENSATION.—An eligible individual partici-
12 pating in education and training services under
13 this title shall be deemed to be in training with
14 the approval of the State agency for the pur-
15 poses of section 3304(a)(8) of the Internal Rev-
16 enue Code of 1986.

17 (8) ON-THE-JOB TRAINING.—The provisions of
18 paragraphs (5), (6), and (7) shall not apply to on-
19 the-job training provided under this title. Such on-
20 the-job training shall be provided consistent with the
21 limitations described in section 161(d).

22 (e) RETRAINING INCOME SUPPORT.—

23 (1) IN GENERAL.—Eligible individuals receiving
24 education and training services pursuant to sub-
25 section (d) who meet the requirements for receiving

1 retraining income support under part A of title II of
2 this Act shall be referred to such program for such
3 support. For program years 1995 through 1999, in-
4 dividuals who do not meet the requirements of such
5 program but who do meet the requirements of para-
6 graph (2) shall, to the extent appropriated funds are
7 available, be provided retraining income support in
8 accordance with this subsection.

9 (2) ELIGIBILITY.—An eligible individual shall,
10 to the extent appropriated funds are available, be
11 provided retraining income support in accordance
12 with this subsection if such individual—

13 (A) has been permanently laid off;

14 (B) either—

15 (i) had been continuously employed at
16 the time of such permanent layoff for a pe-
17 riod of one year or more, but less than
18 three years, by the employer from whom
19 such individual has been permanently laid
20 off; or

21 (ii) was continuously employed in the
22 same occupation and industry by an em-
23 ployer for a period of one year or more and
24 was, within the preceding twelve-month pe-
25 riod—

1 (I) separated from such em-
2 ployer, and

3 (II) employed in the same occu-
4 pation and industry by the subsequent
5 employer from whom such individual
6 has been permanently laid off;

7 (C)(i) was entitled, as a result of the layoff
8 described in subparagraph (A), to (or would
9 have been entitled to if such individual had ap-
10 plied therefor) unemployment compensation
11 under any Federal or State law for a week
12 within the benefit period—

13 (I) in which the layoff took place, or

14 (II) which began (or would have
15 begun) by reason of the filing of a claim
16 for unemployment compensation by such
17 individual after such layoff;

18 (ii) has exhausted all rights to any unem-
19 ployment compensation to which such individual
20 was entitled (or would have been entitled if
21 such individual had applied therefor); and

22 (iii) does not have an unexpired waiting
23 period applicable to such individual for such un-
24 employment compensation;

1 (D) has been enrolled in education or
2 training pursuant to subsection (d) by—

3 (i) the end of the sixteenth week after
4 the permanent layoff described in subpara-
5 graph (A), or, if later, the end of the four-
6 teenth week after such individual was in-
7 formed that the layoff will exceed six
8 months; or

9 (ii) a period that is not in excess of
10 thirty days after the periods described in
11 clause (i), in cases where the substate
12 grantee determines, in accordance with
13 guidelines issued by the Secretary, that
14 there are extenuating circumstances that
15 justify such extension, such as a cancella-
16 tion of a course, a first available enroll-
17 ment date that is after the periods de-
18 scribed in subparagraph (A), or the com-
19 mencement of negotiations for reopening a
20 plant or facility from which an individual
21 has been laid off; and

22 (E) is participating, and making satisfac-
23 tory progress, in education or training provided
24 pursuant to subsection (d).

25 (3) SPECIAL RULES.—

1 (A) CONTINUOUS EMPLOYMENT.—

2 (i) For purposes of clause (ii) of para-
3 graph (2)(B) and subject to the limitations
4 of clause (ii) of this subparagraph, contin-
5 uous employment shall be deemed to in-
6 clude any week in which an individual—

7 (I) was on employer-authorized
8 leave for purposes of vacation, sick-
9 ness, injury or inactive duty or active
10 duty military service for training,

11 (II) was on employer-authorized
12 leave because of circumstances de-
13 scribed in subsection 102(a) of the
14 Family and Medical Leave Act of
15 1993,

16 (III) did not work because of a
17 disability that is compensable under a
18 worker's compensation law or plan of
19 a State of the United States,

20 (IV) had his, or her, employment
21 interrupted in order to serve as a full-
22 time representative of a labor organi-
23 zation in such firm or subdivision,

24 (V) was on call-up for purposes
25 of active duty in a reserve status in

1 the Armed Forces of the United
2 States, provided such active duty is
3 “Federal service” as defined in sec-
4 tion 8521(a)(1) of title 5, United
5 States Code, or

6 (VI) was on temporary layoff.

7 (ii) For the purposes of clause (i), no
8 more than the following number of weeks
9 within a one-year period may be treated as
10 weeks of employment:

11 (I) Seven weeks in the case of
12 weeks described in subclauses (I) or
13 (IV) of clause (i), or both.

14 (II) Twelve weeks in the case of
15 weeks described in subclause (II) of
16 clause (i).

17 (III) Twenty-six weeks in the
18 case of weeks described in subclauses
19 (III) and (V) of clause (i).

20 (B) SAME EMPLOYER.—

21 (i) For the purposes of clause (ii) of
22 paragraph (2)(B), employment deemed to
23 be employment for a single employer shall
24 include—

1 (I) all employment that was cov-
2 ered by a multiemployer plan defined
3 by section 4001(a)(3) of the Employee
4 Retirement Income Security Act of
5 1974;

6 (II) all employment that was ob-
7 tained through a single hiring hall,

8 (III) all employment for the em-
9 ployer from whom the individual was
10 laid off or the predecessor of such em-
11 ployer, and

12 (IV) all employment for employ-
13 ers in a joint employment relation-
14 ship, as described in section 791.2(b)
15 of title 29 of the Code of Federal Reg-
16 ulations, with the individual.

17 (ii) For purposes of subclause (III) of
18 clause (i), an employer shall be considered
19 a predecessor of the employer from whom
20 the individual was laid off (hereinafter re-
21 ferred to as successor employer) if—

22 (I) the successor employer ac-
23 quired substantially all the property
24 used in a trade or business, or used in

1 a separate unit of a trade or business,
2 from such employer; and

3 (II) the individual who was laid
4 off was employed by such employer in
5 such trade or business, or in a sepa-
6 rate unit of such trade or business,
7 immediately before the acquisition and
8 was employed by the successor em-
9 ployer immediately after the acquisi-
10 tion.

11 (C) INDIVIDUAL TREATED AS PARTICIPAT-
12 ING IN EDUCATION OR TRAINING PROGRAM.—
13 For purposes of subparagraph (E) of paragraph
14 (2), an individual shall be treated as participat-
15 ing, and making satisfactory progress, in an
16 education or training program during any week
17 which is part of a break from training that does
18 not exceed twenty-eight days if the break is pro-
19 vided under such program.

20 (4) WEEKLY AMOUNT OF PAYMENTS.—The re-
21 training income support payment payable to an indi-
22 vidual under this subsection shall be an amount
23 equal to the most recent benefit amount of the un-
24 employment compensation payable to such individual
25 for a week of total unemployment preceding such in-

1 dividual's first exhaustion of unemployment com-
2 pensation related to the permanent layoff reduced
3 (but not below zero) by—

4 (A) any training income support provided
5 for such week to such individual under another
6 Federal program;

7 (B) income that is earned from employ-
8 ment that exceeds one-half the amount equal to
9 the most recent weekly benefit amount of the
10 unemployment compensation payable to such
11 individual for a week of total unemployment.

12 (5) TOTAL AMOUNT OF PAYMENTS.—The maxi-
13 mum amount of retraining income support payable
14 to an individual under this subsection shall be the
15 amount which is the product of twenty-six multiplied
16 by the retraining income support payable to the indi-
17 vidual for a week of total unemployment (as deter-
18 mined under paragraph (4)), but such product shall
19 be reduced by the total sum of extended and addi-
20 tional compensation to which the individual was enti-
21 tled in the worker's first benefit period as described
22 in paragraph (2)(C).

23 (6) ADMINISTRATION.—The substate grantee
24 shall enter into an agreement with the State agency
25 charged with the administration of the State unem-

1 ployment compensation law under which such agency
2 will administer, on a cost-reimbursable basis, the re-
3 training income support payments authorized under
4 this subsection.

5 (7) CAREER CENTER ROLE.—Each career cen-
6 ter shall assist an individual receiving education or
7 training pursuant to subsection (d) in applying for
8 retraining income support under either part A of
9 title II of this Act or this subsection depending on
10 the program for which such individual is eligible. If
11 such individual is not eligible for either program and
12 such individual believes income support is necessary
13 to enable participation in training, the career center
14 shall assist such individual in applying for other ap-
15 propriate sources of such income support, including
16 student financial aid.

17 (8) INFORMATION DISSEMINATION.—The career
18 centers shall provide individuals determined eligible
19 under this title with information relating to the
20 availability of retraining income support and the re-
21 quirements relating to eligibility for such support.
22 Such information shall include the provision, as soon
23 as is practicable, of information to such individuals
24 describing the time periods by which enrollment in
25 education and training must occur in order to be eli-

1 gible for retraining income support pursuant to
2 paragraph (2)(D) of this subsection and section 202
3 of this Act. In addition, the substate grantee shall
4 make arrangements with the State agency charged
5 with the administration of the State unemployment
6 compensation law to make such information gen-
7 erally available to claimants along with other infor-
8 mation describing the services available under this
9 title.

10 (f) SUPPORTIVE SERVICES.—

11 (1) IN GENERAL.—Each career center shall
12 make available to an eligible individual, either
13 through direct payment, payment to a service pro-
14 vider, or arrangements through appropriate agen-
15 cies, such supportive services as are identified in
16 such individual's reemployment plan as necessary to
17 enable such individual to participate in intensive re-
18 employment services or education and training
19 services.

20 (2) OPTIONAL SERVICES.—Each career center
21 may make available to an eligible individual such
22 supportive services as such center determines is ap-
23 propriate to enable such individual to participate in
24 basic reemployment services.

1 (3) SERVICES AVAILABLE.—The supportive
2 services provided pursuant to this subsection may in-
3 clude, but are not limited to, transportation, depend-
4 ent care, meals, health care, temporary shelter,
5 needs-related payments, drug and alcohol abuse
6 counseling and referral, family counseling, and other
7 similar services.

8 (g) SUPPLEMENTAL WAGE ALLOWANCE FOR OLDER
9 WORKERS.—

10 (1) IN GENERAL.—An eligible individual may
11 receive a supplemental wage allowance in the
12 amount specified in paragraph (2) if—

13 (A) such individual is age fifty-five or
14 older,

15 (B) such individual accepts full-time em-
16 ployment at a weekly wage that is less than
17 such individual's preceding wage,

18 (C) such individual received basic reem-
19 ployment services provided under subsection (a)
20 and was unable to obtain employment with a
21 higher wage than the employment obtained pur-
22 suant to subparagraph (B), and

23 (D) such individual and a career center
24 counselor agree that participation in the supple-

1 mental wage allowance is the most effective ad-
2 justment option available to such individual.

3 (2) AMOUNT OF ALLOWANCE.—The supple-
4 mental wage allowance payable to an eligible individ-
5 ual under this section with respect to any week in
6 which services are performed in such a reemploy-
7 ment job shall be an amount that—

8 (A) is equal to three-quarters of the dif-
9 ference between—

10 (i) the weekly wage received for such
11 week; and

12 (ii) an amount equal to 80 percent of
13 the individual's average weekly wage in the
14 preceding employment; but

15 (B) does not exceed 50 percent of the
16 weekly benefit amount of regular compensation
17 under the State unemployment compensation
18 law payable to such individual for a week of
19 total unemployment.

20 (3) DURATION OF ALLOWANCES.—An eligible
21 individual may receive the supplemental wage allow-
22 ance authorized under this section for a period of up
23 to fifty-two weeks.

24 (4) ADMINISTRATION.—The substate grantee
25 shall enter into an agreement with the State agency

1 charged with the administration of the State unem-
2 ployment compensation law under which such agency
3 will administer, on cost-reimbursable basis, the sup-
4 plemental wage allowances authorized under this
5 subsection.

6 **SEC. 120. CERTIFICATES OF CONTINUING ELIGIBILITY.**

7 (a) IN GENERAL.—A career center may issue a cer-
8 tificate of continuing eligibility for services under this title
9 if such career center determines that—

10 (1) such individual is eligible for services under
11 section 103; and

12 (2) such individual is accepting employment
13 and such employment is—

14 (A) at a wage significantly less than such
15 individual's previous wage; or

16 (B) in an occupation significantly different
17 from such individual's previous occupation.

18 (b) CONTENTS.—A certificate of continuing eligibility
19 issued pursuant to subsection (a) shall specify a period
20 of time not to exceed one hundred and four weeks that
21 such individual shall remain eligible, notwithstanding the
22 requirements of section 103, for services under this title
23 and for retraining income support payments under section
24 119(e) and part A of title II of this Act.

1 (c) ELIGIBILITY FOR RETRAINING INCOME SUP-
2 PORT.—With respect to the continuing eligibility of an in-
3 dividual receiving a certificate under this section for re-
4 training income support—

5 (1) the requirements relating to eligibility for
6 unemployment compensation under sections
7 119(e)(2)(C) and 202(a)(3) and to the weekly
8 amount of such support under section 119(e)(4) and
9 part A of title II shall apply to such individual's sta-
10 tus at the time such individual receives a certificate
11 under this section and shall not apply to such indi-
12 vidual's status at the time of separation from subse-
13 quent employment described in subsection (a)(2);
14 and

15 (2) the requirements relating to enrollment in
16 training in order to qualify for such income support
17 shall remain applicable except that the sixteen-week
18 and fourteen-week periods described in section
19 119(e)(2) and section 202(a)(4) shall commence
20 with such individual's separation from the subse-
21 quent employment described in subsection (a)(2).

22 (d) LIMITATION.—An individual may not receive a
23 wage supplement authorized under section 119(g) after re-
24 ceiving a certificate of continuing eligibility under this sec-
25 tion.

1 **PART B—FEDERAL SERVICE DELIVERY SYSTEM**

2 **SEC. 131. NATIONAL DISCRETIONARY GRANT PROGRAM.**

3 (a) ESTABLISHMENT.—The Secretary shall establish
4 a program of national grants to address large scale eco-
5 nomic dislocations that result from plant closures, base
6 closures, or mass layoffs.

7 (b) PROJECTS AND SERVICES.—

8 (1) IN GENERAL.—The programs assisted
9 under this section shall be used to provide services
10 of the type described in section 119 in projects that
11 relate to—

12 (A) industrywide dislocations;

13 (B) multistate dislocations;

14 (C) dislocations resulting from reductions
15 in defense expenditures;

16 (D) dislocations resulting from inter-
17 national trade;

18 (E) dislocations resulting from environ-
19 mental laws and regulations, including the
20 Clean Air Act and the Endangered Species Act;

21 (F) dislocations affecting Native American
22 tribal entities; and

23 (G) other dislocations that result from spe-
24 cial circumstances or that State and local re-
25 sources are insufficient to address.

1 (2) COMMUNITY PROJECTS.—The Secretary
2 may award grants under this section for projects
3 that provide comprehensive planning services to as-
4 sist communities in addressing and reducing the im-
5 pact of an economic dislocation.

6 (3) ON-SITE TRANSITION CENTERS.—The Sec-
7 retary may award grants under this section to
8 projects that establish on-site transition centers
9 meeting the requirements described in section
10 115(c)(2)

11 (c) ADMINISTRATION.—

12 (1) APPLICATION.—To receive a grant under
13 this section, an eligible entity shall submit an appli-
14 cation to the Secretary at such time, in such man-
15 ner, and accompanied by such information as the
16 Secretary determines is appropriate.

17 (2) ELIGIBLE ENTITIES.—Grants under this
18 section may be awarded to—

19 (A) the State;

20 (B) the substate grantee;

21 (C) employers and employer associations;

22 (D) worker-management transition assist-
23 ance committees and other employer-employee
24 entities;

25 (E) representatives of employees;

- 1 (F) community development corporations
2 and community-based organizations; and
3 (G) industry consortia.

4 **SEC. 132. DISASTER RELIEF EMPLOYMENT ASSISTANCE.**

5 (a) GENERAL AUTHORITY.—

6 (1) QUALIFICATION FOR FUNDS.—Funds ap-
7 propriated to carry out this section shall be made
8 available in a timely manner by the Secretary to the
9 Governor of any State within which is located an
10 area that has suffered an emergency or a major dis-
11 aster as defined in paragraphs (1) and (2), respec-
12 tively, of section 102 of the Robert T. Stafford Dis-
13 aster Relief and Emergency Assistance Act (referred
14 to in this section as the “disaster area”).

15 (2) SUBSTATE ALLOCATION.—Not less than 80
16 percent of the funds made available to any Governor
17 under paragraph (1) shall be allocated by the Gov-
18 ernor to units of general local government located,
19 in whole or in part, within such disaster areas. The
20 remainder of such funds may be reserved by the
21 Governor for use, in concert with State agencies, in
22 cleanup, rescue, repair, renovation, and rebuilding
23 activities associated with such major disaster.

24 (3) COORDINATION.—Funds made available
25 under this section to Governors and units of general

1 local government shall be expended in consultation
2 with—

3 (A) agencies administering programs for
4 disaster relief provided under the Robert T.
5 Stafford Disaster Relief and Emergency Assist-
6 ance Act; and

7 (B) the administrative entity and the pri-
8 vate industry council in each service delivery
9 area within which disaster employment pro-
10 grams will be conducted under this part.

11 (b) USE OF FUNDS.—

12 (1) PROJECTS RESTRICTED TO DISASTER
13 AREAS.—Funds made available under this section to
14 any unit of general local government in a disaster
15 area—

16 (A) shall be used exclusively to provide em-
17 ployment on projects to provide food, clothing,
18 shelter, and other humanitarian assistance for
19 disaster victims and on projects regarding dem-
20 olition, cleanup, repair, renovation, and recon-
21 struction of damaged and destroyed structures,
22 facilities, and lands located within the disaster
23 area; and

1 (B) may be expended through public and
2 private agencies and organizations engaged in
3 such projects.

4 (2) ELIGIBILITY REQUIREMENTS.—Notwith-
5 standing section 103, an individual shall be eligible
6 to be offered disaster employment under this section
7 if such individual is temporarily or permanently laid
8 off as a consequence of the disaster.

9 (3) LIMITATIONS ON DISASTER RELIEF EM-
10 PLOYMENT.—No individual shall be employed under
11 this part for more than six months for work related
12 to recovery from a single natural disaster.

13 (c) DEFINITIONS.—As used in this section, the term
14 “unit of general local government” includes—

15 (1) in the case of a community conducting a
16 project in an Indian reservation or Alaska Native
17 village, the grantee designated under subsection (c)
18 or (d) or of section 401 of the Job Training Part-
19 nership Act, or a consortium of such grantees and
20 the State; and

21 (2) in the case of a community conducting a
22 project in a migrant or seasonal farmworker commu-
23 nity, the grantee designated under section 402(c) of
24 the Job Training Partnership Act, or a consortium
25 of such grantees and the State.

1 **SEC. 133. EVALUATION, RESEARCH, AND DEMONSTRATIONS.**
2

3 (a) EVALUATION.—

4 (1) IN GENERAL.—The Secretary shall provide
5 for the continuing evaluation of programs conducted
6 under this title, including the cost-effectiveness of
7 programs in achieving the purposes of this title.

8 (2) TECHNIQUES.—

9 (A) METHODS.—Evaluations conducted
10 under paragraph (1) shall utilize recognized
11 statistical methods and techniques of the behav-
12 ioral and social sciences, including methodolo-
13 gies that control for self-selection, where fea-
14 sible.

15 (B) ANALYSIS.—Such evaluations may in-
16 clude cost benefit analyses of programs, and
17 analyses of the impact of the programs on par-
18 ticipants and the community, the extent to
19 which programs meet the needs of various de-
20 mographic groups, and the effectiveness of the
21 delivery systems used by the various programs.

22 (C) EFFECTIVENESS.—The Secretary shall
23 evaluate the effectiveness of programs author-
24 ized under this title with respect to—

25 (i) the statutory goals;

1 (ii) the performance standards estab-
2 lished by the Secretary; and

3 (iii) the extent to which such pro-
4 grams enhance the employment and earn-
5 ings of participants, reduce income support
6 costs, improve the employment com-
7 petencies of participants in comparison to
8 comparable persons who did not partici-
9 pate in such programs, and, to the extent
10 feasible, increase the level of total employ-
11 ment over the level that would have existed
12 in the absence of such programs.

13 (b) RESEARCH.—

14 (1) IN GENERAL.—The Secretary shall establish
15 a program of research relating to addressing eco-
16 nomic dislocation, facilitating the transition of per-
17 manently laid off workers to reemployment, and up-
18 grading the skills of employed workers.

19 (2) MASS LAYOFF REPORT.—The Secretary
20 shall develop and maintain statistical data relating
21 to permanent layoffs and plant closings. The Sec-
22 retary shall publish a report based upon such data,
23 as soon as practicable, after the end of each cal-
24 endar year. Among the data to be included are—

25 (A) the number of such closings;

- 1 (B) the number of workers displaced;
- 2 (C) the location of the affected facilities;
- 3 and
- 4 (D) the types of industries involved.

5 (c) DEMONSTRATIONS.—

6 (1) IN GENERAL.—The Secretary shall conduct
7 a program of demonstration projects to develop and
8 improve the methods for addressing economic dis-
9 location and promoting workers adjustment. Such
10 program may include projects that—

11 (A) provide services to upgrade the skills
12 of employed workers who are at risk of being
13 permanently laid off; and

14 (B) assist in retraining employed workers
15 in new technologies and work processes that
16 will facilitate the conversion or restructuring of
17 businesses into high performance work organi-
18 zations and avert plant closings or substantial
19 layoffs.

20 (2) LIMITATION.—Each demonstration project
21 conducted under this subsection shall not exceed
22 three years in duration.

23 (3) EVALUATION COMPONENT.—The Secretary
24 shall conduct or provide for an evaluation of each of
25 the projects carried out pursuant to this subsection.

1 **SEC. 134. CAPACITY BUILDING AND TECHNICAL ASSIST-**
2 **ANCE.**

3 (a) IN GENERAL.—The Secretary shall provide,
4 through grants, contracts, or other arrangements, staff
5 training and technical assistance to States, substate
6 grantees, career centers, communities, business and labor
7 organizations, service providers, industry consortia, and
8 other entities, to enhance their capacity to develop and
9 deliver effective adjustment assistance services to workers
10 and to avert plant closings or substantial layoffs. Such as-
11 sistance may include the development of management in-
12 formation systems, customized training programs, and the
13 dissemination of computer-accessed learning systems.

14 (b) COORDINATION.—The Secretary shall integrate
15 the activities carried out pursuant to subsection (a) with
16 the activities of the Capacity Building and Information
17 and Dissemination Network established under section 453
18 of the Job Training Partnership Act.

19 **SEC. 135. FEDERAL BY-PASS AUTHORITY.**

20 In the event that any State chooses not to participate
21 in the program authorized under this title, the Secretary
22 shall use the amount that would be allotted to such State
23 under section 101(b) to provide for the delivery in that
24 State of the programs, activities and services authorized
25 under this title until such time as such State chooses to
26 participate in the program.

1 **PART C—PERFORMANCE STANDARDS AND**
2 **QUALITY ASSURANCE SYSTEMS**

3 **SEC. 151. CUSTOMER SERVICE COMPACT.**

4 The Secretary shall establish a process within each
5 State, which shall include an annual meeting, to promote
6 the development of a customer service compact among the
7 parties administering the programs under this title. Such
8 compact shall include an informal agreement between the
9 Secretary, Governor, each substate grantee, and each ca-
10 reer center relating to—

11 (1) the shared goals and values that will govern
12 the administration of the program;

13 (2) the respective roles and responsibilities of
14 each party in enhancing the provision of services to
15 participants, including ensuring that such services
16 are tailored to the particular needs of participants in
17 each local area;

18 (3) methods for ensuring that the satisfaction
19 of participants with the services received is a pri-
20 mary consideration in the administration of the pro-
21 gram; and

22 (4) such other matters as the parties determine
23 are appropriate.

24 **SEC. 152. PERFORMANCE STANDARDS.**

25 (a) IN GENERAL.—The Secretary, after consultation
26 with the Secretary of Education, Governors, substate

1 grantees, and career centers, shall prescribe performance
2 standards relating separately to the substate grantees and
3 the career centers established under this title. Such stand-
4 ards shall be based on factors the Secretary determines
5 are appropriate, which may include—

6 (1) placement, retention and earnings of par-
7 ticipants in unsubsidized employment, including—

8 (A) earnings at six months or more after
9 termination from the program, and

10 (B) comparability of wages at a specified
11 period after termination from the program with
12 wages prior to participation in the program;

13 (2) acquisition of skills pursuant to a skill
14 standards and skill certification system endorsed by
15 the National Skill Standards Board established
16 under the Goals 2000: Educate America Act;

17 (3) satisfaction of participants and employers
18 with services provided and employment outcomes;
19 and

20 (4) the quality of services provided to hard-to-
21 serve populations, such as low income individuals
22 and older workers.

23 (b) ADJUSTMENTS.—Each Governor shall, within pa-
24 rameters established by the Secretary and after consulta-
25 tion with substate grantees and career centers, prescribe

1 adjustments to the performance standards prescribed
2 under section (a) for the substate grantees and career cen-
3 ters established in the State based on—

4 (1) specific economic, geographic and demo-
5 graphic factors in the State and in substate areas
6 within the State; and

7 (2) the characteristics of the population to be
8 served, including the demonstrated difficulties in
9 serving special populations.

10 (c) FAILURE TO MEET STANDARDS.—

11 (1) UNIFORM CRITERIA.—The Secretary shall
12 establish uniform criteria for determining whether a
13 substate grantee or career center fails to meet per-
14 formance standards under this section. Such criteria
15 may not be modified more than once every two
16 years.

17 (2) TECHNICAL ASSISTANCE.—The Governor
18 shall provide technical assistance to substate grant-
19 ees and career centers failing to meet performance
20 standards under the uniform criteria established
21 under paragraph (1).

22 (3) REPORT ON PERFORMANCE.—Each Gov-
23 ernor shall include in an annual report to the Sec-
24 retary the final performance standards and perform-
25 ance for each substate grantee and career center

1 within the State, along the technical assistance
2 planned and provided as required under paragraph
3 (2).

4 (4) REDESIGNATION.—If a substate grantee or
5 career center continues to fail to meet such per-
6 formance standards for two consecutive program
7 years, the Governor shall notify the Secretary and
8 the substate grantee or career center of the contin-
9 ued failure, and shall—

10 (A) in the case of a substate grantee, ter-
11 minate the grant agreement and designate an-
12 other entity as the substate grantee consistent
13 with the procedures described in section
14 117(b)(2); and

15 (B) in the case of a career center, direct
16 the substate grantee to terminate the agree-
17 ment to operate such center and to select an-
18 other entity as a career center in accordance
19 with the requirements of section 118.

20 (5) APPEAL.—A substate grantee or career cen-
21 ter that is the subject of a redesignation under para-
22 graph (4) may, within thirty days after receiving no-
23 tice thereof, appeal to the Secretary of Labor to re-
24 scind such action. The Secretary of Labor shall issue

1 a decision on the appeal within thirty days of its re-
2 ceipt.

3 (d) INCENTIVE GRANTS.—From the funds reserved
4 pursuant to section 101(c)(1), the Governor of each State
5 shall award incentive grants to the substate grantees and
6 career centers in the State exceeding performance stand-
7 ards established under this section. Such grants shall be
8 used by the substate grantees and career centers to en-
9 hance or expand the services provided under this title.

10 **SEC. 153. CUSTOMER FEEDBACK.**

11 (a) METHODS.—Each substate grantee shall estab-
12 lish methods for obtaining, on a regular basis, information
13 from eligible individuals and employers who have received
14 services through a career center regarding the effective-
15 ness and quality of such services and of service providers.
16 Such methods may include the use of surveys, interviews,
17 and focus groups.

18 (b) ANALYSIS AND DISSEMINATION.—Each substate
19 grantee shall analyze the information obtained pursuant
20 to subsection (a) on a regular basis and provide a sum-
21 mary of such information accompanied by such analysis
22 to the career center for use in improving the administra-
23 tion of the programs under this title and assisting partici-
24 pants in choosing from among eligible service providers.

1 **SEC. 154. ELIGIBILITY REQUIREMENTS FOR PROVIDERS**
2 **OF EDUCATION AND TRAINING SERVICES.**

3 (a) ELIGIBILITY REQUIREMENTS.—A provider of
4 education and training services shall be eligible to receive
5 funds under this title if such provider—

6 (1) is either—

7 (A) eligible to participate in title IV of the
8 Higher Education Act of 1965, or

9 (B) determined to be eligible under the
10 procedures described in subsection (b); and

11 (2) provides the performance-based information
12 required pursuant to subsection (c).

13 (b) ALTERNATIVE ELIGIBILITY PROCEDURE.—(1) The
14 Governor shall establish an alternative eligibility proce-
15 dure for providers of education and training services in
16 such State desiring to receive funds under this title but
17 that are not eligible to participate in title IV of the Higher
18 Education Act of 1965. Such procedure shall establish
19 minimum acceptable levels of performance for such provid-
20 ers based on factors and guidelines developed by the Sec-
21 retary, after consultation with the Secretary of Education.
22 Such factors shall be comparable in rigor and scope to
23 those provisions of part H of such title of such Act that
24 are used to determine an institution of higher education's
25 eligibility to participate in programs under such title as
26 are appropriate to the type of provider seeking eligibility

1 under this subsection and the nature of the education and
2 training services to be provided.

3 (2) Notwithstanding paragraph (1), if the participa-
4 tion of an institution of higher education in any of the
5 programs under such title of such Act is terminated, such
6 institution shall not be eligible to receive funds under this
7 Act for a period of two years.

8 (c) PERFORMANCE-BASED INFORMATION.—

9 (1) CONTENTS.—The Secretary, in consultation
10 with the Secretary of Education, shall identify per-
11 formance-based information that is to be submitted
12 by providers of services desiring to be eligible under
13 this section. Such information may include informa-
14 tion relating to—

15 (A) the percentage of students completing
16 the programs conducted by the provider,

17 (B) the rates of licensure of graduates of
18 the programs conducted by the provider,

19 (C) the percentage of graduates of the pro-
20 grams meeting skill standards and certification
21 requirements endorsed by the National Skills
22 Standards Board established under the Goals
23 2000: Educate America Act,

1 (D) the rates of placement and retention in
2 employment, and earnings of the graduates of
3 the programs conducted by the provider,

4 (E) the percentage of students who ob-
5 tained employment in an occupation related to
6 the program conducted by the provider, and

7 (F) the warranties or guarantees provided
8 by such provider relating to the skill levels or
9 employment to be attained by students.

10 (2) ADDITIONS.—The Governor may, pursuant
11 to the approval of the Secretary, prescribe additional
12 performance based information that shall be submit-
13 ted by providers pursuant to this subsection.

14 (d) ADMINISTRATION.—

15 (1) STATE AGENCY.—The Governor shall des-
16 ignate a State agency to collect, verify, and dissemi-
17 nate the performance-based information submitted
18 pursuant to paragraph (1).

19 (2) APPLICATION.—A provider of education and
20 training services that desires to be eligible to receive
21 funds under this title shall submit the information
22 required under subsection (b) to the State agency
23 designated under paragraph (1) at such time and in
24 such form as such State agency may require.

1 (3) LIST OF ELIGIBLE PROVIDERS.—The State
2 agency shall compile a list of eligible providers, ac-
3 companyed by the performance-based information
4 submitted, and disseminate such list and informa-
5 tion to the substate entities and career centers with-
6 in the State.

7 (4) ACCURACY OF INFORMATION.—

8 (A) IN GENERAL.—If the State agency de-
9 termines that information concerning a provider
10 is inaccurate, such provider shall be disqualified
11 from receiving funds under this title for a pe-
12 riod of two years, unless such provider can
13 demonstrate to the satisfaction of the Governor
14 or his or her designee, that the information was
15 provided in good faith.

16 (B) APPEAL.—The Governor shall estab-
17 lish a procedure for a service provider to appeal
18 a determination by a State agency that results
19 in a disqualification under subparagraph (A).
20 Such procedure shall provide an opportunity for
21 a hearing and prescribe appropriate time limits
22 to ensure prompt resolution of the appeal.

23 (5) ASSISTANCE IN DEVELOPING INFORMA-
24 TION.—The State agency established pursuant to
25 paragraph (1) may provide technical assistance to

1 education and training providers in developing the
2 information required under subsection (b). Such as-
3 sistance may include facilitating the utilization of
4 State administrative records, such as unemployment
5 compensation wage records, and other appropriate
6 coordination activities.

7 (6) CONSULTATION.—The Secretary shall con-
8 sult with the Secretary of Education regarding the
9 eligibility of institutions of higher education or other
10 providers of education and training to participate in
11 programs under this Act or under title IV of the
12 Higher Education Act of 1965.

13 (e) ON-THE-JOB TRAINING EXCEPTION.—

14 (1) IN GENERAL.—Providers of on-the-job
15 training shall not be subject to the requirements of
16 subsections (a), (b), and (c).

17 (2) COLLECTION AND DISSEMINATION OF IN-
18 FORMATION.—The substate grantee shall collect
19 such performance-based information from on-the-job
20 training providers as the Secretary may require, and
21 shall disseminate such information to the career cen-
22 ters.

1 **PART D—GENERAL REQUIREMENTS**

2 **SEC. 161. GENERAL REQUIREMENTS.**

3 Except as otherwise provided, the following condi-
4 tions are applicable to all programs under this title:

5 (a) PROHIBITION ON INDUCING RELOCATION OF ES-
6 TABLISHMENTS.—

7 (1) No funds provided under this title shall be
8 used or proposed for use to encourage or induce the
9 relocation, of an establishment or part thereof, that
10 results in a loss of employment for any employee of
11 such establishment at the original location.

12 (2) No funds provided under this title shall be
13 used for customized or skill training, on-the-job
14 training, or company specific assessments of job ap-
15 plicants or employees, for any establishment or part
16 thereof, that has relocated, until 120 days after the
17 date on which such establishment commences oper-
18 ations at the new location, if the relocation of such
19 establishment or part thereof, results in a loss of
20 employment for any employee of such establishment
21 at the original location.

22 (3) If a violation of paragraph (1) or (2) is al-
23 leged, the Secretary shall conduct an investigation to
24 determine whether a violation has occurred.

25 (4) If the Secretary determines that a violation
26 of paragraph (1) or (2) has occurred, the Secretary

1 shall require the State, substate area, or substate
2 grantee that has violated paragraph (1) or (2) to—

3 (A) repay to the United States an amount
4 equal to the amount expended in violation of
5 paragraph (1) or (2), in accordance with sub-
6 sections (d) or (e) of section 174; and

7 (B) pay an additional amount equal to the
8 amount required to be repaid under subpara-
9 graph (A), unless the State or substate grantee
10 demonstrates to the Secretary that it neither
11 knew nor reasonably could have known (after
12 an inquiry undertaken with due diligence) pro-
13 vided funds in violation of paragraph (1) or (2).

14 (5) Amounts received under paragraph (4)(B)
15 shall be deposited in a special account in the Treas-
16 ury for use by the Secretary for carrying out this
17 title.

18 (b) SPECIAL PROGRAMS.—Efforts shall be made to
19 develop programs under this title which contribute to oc-
20 cupational development, upward mobility, development of
21 new careers, and overcoming sex-stereotyping in occupa-
22 tions traditional for the other sex.

23 (c) JOINT SUBSTATE AGREEMENTS.—Any substate
24 grantee may enter into an agreement or contract with an-
25 other substate grantee to pay or share the cost of educat-

1 ing, training, or placing individuals participating in pro-
2 grams assisted under this Act, including the provision of
3 supportive services.

4 (d) ON-THE-JOB TRAINING.—(1) Payments to em-
5 ployers for on-the-job training under this title shall not,
6 during the period of such training, average more than 50
7 percent of the wages paid by the employer to such partici-
8 pants, and payments in such amount shall be deemed to
9 be in compensation for the extraordinary costs associated
10 with training participants under this title and in com-
11 pensation for the costs associated with the lower produc-
12 tivity of such participants.

13 (2) On-the-job training authorized under this title for
14 a participant shall be limited in duration to a period not
15 in excess of that generally required for acquisition of skills
16 needed for the position within a particular occupation, but
17 in no event shall exceed six months, unless the total num-
18 ber of hours of such training is less than five hundred
19 hours. In determining the period generally required for ac-
20 quisition of the skills, consideration shall be given to rec-
21 ognized reference material (such as the Dictionary of Oc-
22 cupational Titles), the content of the training of the par-
23 ticipant, the prior work experience of the participant, and
24 the reemployment plan of the participant.

25 (3)(A) Each on-the-job training contract shall—

1 (i) specify the types and duration of on-the-job
2 training and the other services to be provided in suf-
3 ficient detail to allow for a fair analysis of the rea-
4 sonableness of proposed costs; and

5 (ii) comply with the applicable requirements of
6 section 174.

7 (B) Each on-the-job training contract that is not di-
8 rectly contracted by a substate grantee with an employer
9 (but instead is contracted through an intermediary
10 brokering contractor) shall, in addition to meeting the re-
11 quirements of subparagraph (A), specify the outreach, re-
12 cruitment, participant training, counseling, placement,
13 monitoring, followup, and other services to be provided di-
14 rectly by the brokering contractor within its own organiza-
15 tion, the services to be provided by the employers conduct-
16 ing the on-the-job training, and the services to be pro-
17 vided, with or without cost, by other agencies and sub-
18 contractors.

19 (C) If a brokering contractor enters into a contract
20 with a subcontractor to provide training or other services,
21 the brokering contractor shall ensure, through on-site
22 monitoring, compliance with the subcontract terms prior
23 to making payment to the subcontractor.

24 (4) In accordance with regulations issued by the Sec-
25 retary, on-the-job training contracts under this title shall

1 not be entered into with employers who have received pay-
2 ments under previous contracts and have exhibited a pat-
3 tern of failing to provide on-the-job training participants
4 with continued long-term employment as regular employ-
5 ees with wages and employment benefits (including health
6 benefits) and working conditions at the same level and to
7 the same extent as other employees working a similar
8 length of time and doing the same type of work.

9 (e) PROHIBITION ON FEES.—No person or organiza-
10 tion may charge an individual a fee for the placement or
11 referral of such individual in or to a training program
12 under this title.

13 (f) PROHIBITION ON SUBSIDIZED EMPLOYMENT.—
14 No funds may be provided under this Act for any sub-
15 sidized employment with any private for-profit employer.

16 (g) RETENTION OF PROGRAM INCOME.—

17 (1) Income under any program under this title
18 administered by a public or private nonprofit entity
19 may be retained by such entity only if used to con-
20 tinue to carry out the program.

21 (2) Income subject to the requirements of para-
22 graph (1) shall include—

23 (A) receipts from goods or services (includ-
24 ing conferences) provided as a result of activi-
25 ties funded under the title;

1 (B) funds provided to a service provider
2 under the title that are in excess of the costs
3 associated with the services provided; and

4 (C) interest income earned on funds re-
5 ceived under this title.

6 (3) For the purposes of this subsection, each
7 entity receiving financial assistance under this title
8 shall maintain records sufficient to determine the
9 amount of income received and the purposes for
10 which such income is expended.

11 (h) NOTIFICATION AND CONSULTATION REQUIRE-
12 MENTS.—The Secretary shall notify the Governor and the
13 appropriate chief elected officials of, and consult with the
14 Governor and such officials concerning, any activity to be
15 funded by the Secretary under this title within the State
16 or substate area; and the Governor shall notify the appro-
17 priate chief elected officials of, and consult with such con-
18 cerning, any activity to be funded by the Governor under
19 this title within the substate area.

20 (i) COOPERATIVE AGREEMENTS BETWEEN
21 STATES.—In the event that compliance with provisions of
22 this title would be enhanced by cooperative agreements be-
23 tween States, the consent of Congress is hereby given to
24 such States to enter into such compacts and agreements

1 to facilitate such compliance, subject to the approval of
2 the Secretary.

3 (j) PUBLIC SERVICE EMPLOYMENT PROHIBITION.—
4 Except as provided in section 132, no funds available
5 under this title may be used for public service employment.

6 (k) PROHIBITION ON EMPLOYMENT GENERATING
7 AND RELATED ACTIVITIES.—Except for funds available to
8 the Secretary to carry out section 132, no funds available
9 under this Act shall be used for employment generating
10 activities, economic development activities, investment in
11 revolving loan funds, capitalization of businesses, invest-
12 ment in contract bidding resource centers, and similar ac-
13 tivities, or for foreign travel.

14 (l) PROPERTY.—The Federal requirements governing
15 the title, use, and disposition of real property, equipment,
16 and supplies purchased with funds provided under this Act
17 shall be the Federal requirements generally applicable to
18 Federal grants to States and local governments.

19 **SEC. 162. BENEFITS.**

20 (a) IN GENERAL.—Except as otherwise provided in
21 this title, the following provisions shall apply to all activi-
22 ties financed under this title:

23 (1) A participant under this title shall receive
24 no payments for training activities in which the par-
25 ticipant fails to participate without good cause.

1 (2) Individuals in on-the-job training shall be
2 compensated by the employer at the same rates, in-
3 cluding periodic increases, as similarly situated em-
4 ployees or trainees and in accordance with applicable
5 law, but in no event less than the higher of the rate
6 specified in section 6(a)(1) of the Fair Labor Stand-
7 ard Act of 1938 or the applicable State or local min-
8 imum wage law.

9 (3) Individuals employed in activities authorized
10 under this title shall be paid wages which shall not
11 be less than the highest of (A) the minimum wage
12 under section 6(a)(1) of the Fair Labor Standards
13 Act of 1938, (B) the minimum wage under the ap-
14 plicable State or local minimum wage law, or (C) the
15 prevailing rates of pay for individuals employed in
16 similar occupations by the same employer.

17 (4) References in paragraphs (2) and (3) to
18 section 6(a)(1) of the Fair Labor Standards Act of
19 1938 (29 U.S.C. 206(a)(1))—

20 (A) shall be deemed to be references to
21 section 6(c) of that Act for individuals in the
22 Commonwealth of Puerto Rico;

23 (B) shall be deemed to be references to
24 section 6(a)(3) of that Act for individuals in
25 American Samoa; and

1 (C) shall not be applicable for individuals
2 in other territorial jurisdictions in which section
3 6 of the Fair Labor Standards Act of 1938
4 does not apply.

5 (b) INCOME DISREGARD.—Allowances, earnings, and
6 payments to individuals participating in programs under
7 this title, except for payments under section 119(e), shall
8 not be considered as income for the purposes of determin-
9 ing eligibility for and the amount of income transfer and
10 in-kind aid furnished under any Federal or federally as-
11 sisted program based on need, other than as provided
12 under the Social Security Act.

13 **SEC. 163. LABOR STANDARDS.**

14 (a) IN GENERAL.—

15 (1) Conditions of employment and training shall
16 be appropriate and reasonable in light of such fac-
17 tors as the type of work, geographical region, and
18 proficiency of the participant.

19 (2) Health and safety standards established
20 under State and Federal law, otherwise applicable to
21 working conditions of employees, shall be equally ap-
22 plicable to working conditions of participants. With
23 respect to any participant in a program conducted
24 under this title who is engaged in activities which
25 are not covered by health and safety standards

1 under the Occupational Safety and Health Act of
2 1970, the Secretary shall prescribe, by regulation,
3 such standards as may be necessary to protect the
4 health and safety of such participants.

5 (3) To the extent that a State workers' com-
6 pensation law is applicable, workers' compensation
7 benefits in accordance with such law shall be avail-
8 able with respect to injuries suffered by participants.
9 To the extent that such law is not applicable, each
10 recipient of funds under this Act shall secure insur-
11 ance coverage for injuries suffered by such partici-
12 pants, in accordance with regulations prescribed by
13 the Secretary.

14 (4) All individuals employed in subsidized jobs
15 shall be provided benefits and working conditions at
16 the same level and to the same extent as other em-
17 ployees working a similar length of time and doing
18 the same type of work.

19 (5) No funds available under this title may be
20 used for contributions on behalf of any participant
21 to retirement systems or plans.

22 (b) DISPLACEMENT.—

23 (1) No currently employed worker shall be dis-
24 placed by any participant (including partial displace-

1 ment such as a reduction in the hours of non-
2 overtime work, wages, or employment benefits).

3 (2) No program under this title shall impair—

4 (A) existing contracts for services; or

5 (B) existing collective-bargaining agree-
6 ments, unless the employer and the labor orga-
7 nization concur in writing with respect to any
8 elements of the proposed activities which affect
9 such agreement, or either such party fails to re-
10 spond to written notification requesting its con-
11 currence within thirty days of receipt thereof.

12 (3) No participant shall be employed or job
13 opening filled (A) when any other individual is on
14 layoff from the same or any substantially equivalent
15 job, or (B) when the employer has terminated the
16 employment of any regular employee or otherwise re-
17 duced its work force with the intention of filling the
18 vacancy so created by hiring a participant whose
19 wages are subsidized under this title.

20 (4) No jobs shall be created in a promotional
21 line that will infringe in any way upon the pro-
22 motional opportunities of currently employed individ-
23 uals.

24 (c) ORGANIZED LABOR.—

1 (1) Each recipient of funds under this title shall
2 provide to the Secretary assurances that none of
3 such funds will be used to assist, promote, or deter
4 union organizing.

5 (2) Any program conducted with funds made
6 available under this title which will provide services
7 to members of a labor organization will be estab-
8 lished only after full consultation with such organi-
9 zation.

10 (3) Where a labor organization represents a
11 substantial number of employees who are engaged in
12 similar work or training in the same area as that
13 proposed to be funded under this title, an oppor-
14 tunity shall be provided for such organization to
15 submit comments with respect to such proposal.

16 (d) PREVAILING WAGES.—All laborers and mechan-
17 ics employed by contractors or subcontractors in any con-
18 struction, alteration, or repair, including painting and
19 decorating, of projects, buildings, and works which are
20 federally assisted under this title shall be paid wages at
21 rates not less than those prevailing on similar construction
22 in the locality as determined by the Secretary in accord-
23 ance with the Act of March 3, 1921 (40 U.S.C. 276a—
24 276a-5), commonly known as the Davis-Bacon Act. The
25 Secretary shall have, with respect to such labor standards,

1 the authority and functions set forth in Reorganization
2 Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267)
3 and section 2 of the Act of June 1, 1934, as amended
4 (48 Stat. 948, as amended; 40 U.S.C. 276(c)). The provi-
5 sions of this subsection shall not apply to a bona fide par-
6 ticipant in a training program under this title. The provi-
7 sions of section 177(a)(4) shall apply to such trainees.

8 **SEC. 164. GRIEVANCE PROCEDURE.**

9 (a) IN GENERAL.—Each substate grantee, career
10 center, contractor, and grantee under this Act shall estab-
11 lish and maintain a grievance procedure for grievances or
12 complaints about its programs and activities from partici-
13 pants, subgrantees, subcontractors, and other interested
14 persons. Hearings on any grievance shall be conducted
15 within thirty days of filing of a grievance and decisions
16 shall be made not later than sixty days after the filing
17 of a grievance. Except for complaints alleging fraud or
18 criminal activity, complaints shall be made within one year
19 of the alleged occurrence.

20 (b) GRIEVANCE PROCEDURE FOR EMPLOYERS OF
21 PARTICIPANTS.—Each recipient of financial assistance
22 under this title which is an employer of participants under
23 this title shall continue to operate or establish and main-
24 tain a grievance procedure relating to the terms and condi-
25 tions of employment.

1 (c) EXHAUSTION OF GRIEVANCE PROCEDURE.—

2 Upon exhaustion of the recipient's grievance procedure
3 without decision, or where the Secretary has reason to be-
4 lieve that the recipient is failing to comply with the re-
5 quirements of this title, the Secretary shall investigate the
6 allegation or belief and determine within one hundred and
7 twenty days after receiving the complaint whether such al-
8 legation or complaint is true.

9 (d) INVESTIGATION BY SECRETARY.—

10 (1) If a person alleges a violation of section 163
11 and such person exhausts the recipient's grievance
12 procedure or the sixty-day time period described in
13 subsection (a) has elapsed without a decision, either
14 party to such procedure may submit the grievance to
15 the Secretary. The Secretary shall investigate the al-
16 legations contained in the grievance and make a de-
17 termination as to whether a violation of section 163
18 has occurred.

19 (2) If the results of the investigation conducted
20 pursuant to paragraph (1) indicate that a modifica-
21 tion or reversal of the decision issued pursuant to
22 the recipient's grievance procedure is warranted, or
23 the sixty-day time period described in subsection (a)
24 has elapsed without a decision, the Secretary may
25 modify or reverse the decision, or issue a decision if

1 no decision has been issued, as the case may be,
2 after an opportunity for a hearing in accordance
3 with the procedures under section 176.

4 (3) If the Secretary determines that the deci-
5 sion issued pursuant to the recipient's grievance pro-
6 cedure is appropriate, the determination shall be-
7 come the final decision of the Secretary.

8 (e) BINDING GRIEVANCE PROCEDURE.—

9 (1) A person alleging a violation of section 163
10 may, as an alternative to the procedures described in
11 this section, submit the grievance involving such vio-
12 lation to a binding grievance procedure if a collec-
13 tive-bargaining agreement covering the parties to the
14 grievance so provides.

15 (2) The remedies available under paragraph (1)
16 shall be limited to the remedies available under sub-
17 section (f)(1)(C) and subsection (f)(2).

18 (f) REMEDIES AVAILABLE TO GRIEVANTS.—

19 (1) Except as provided in paragraph (2), rem-
20 edies available to grievants under this section for
21 violations of section 163 shall be limited to—

22 (A) suspension or termination of payments
23 under this Act;

24 (B) prohibition of placement of a partici-
25 pant, for an appropriate period of time, in a

1 program under this Act with an employer that
 2 has violated section 163, as determined under
 3 subsection (d) or (e); and

4 (C) appropriate equitable relief (other than
 5 back pay).

6 (2) In addition to the remedies available under
 7 paragraph (1), remedies available under this section
 8 for violations of subsection (a)(4), paragraphs (1)
 9 and (3) of subsection (b), and subsection (d) of sec-
 10 tion 163 may include—

11 (A) reinstatement of the grievant to the
 12 position held by such grievant prior to displace-
 13 ment;

14 (B) payment of lost wages and benefits;
 15 and

16 (C) reestablishment of other relevant
 17 terms, conditions, and privileges of employment.

18 (g) REMEDIES UNDER OTHER LAWS.—Nothing in
 19 subsection (f) shall be construed to prohibit a grievant
 20 from pursuing a remedy authorized under another Fed-
 21 eral, State, or local law for a violation of section 163.

22 **PART E—FISCAL ADMINISTRATIVE PROVISIONS**

23 **SEC. 171. PROGRAM YEAR.**

24 (a) OBLIGATION OF FUNDS.—Beginning with fiscal
 25 year 1995 and thereafter, appropriations for any fiscal

1 year for programs and activities under this title shall be
2 available for obligation only on the basis of a program
3 year. The program year shall begin on July 1 in the fiscal
4 year for which the appropriation is made.

5 (b) EXPENDITURE OF OBLIGATED FUNDS.—Funds
6 obligated for any program year may be expended by each
7 recipient during that program year and the two succeeding
8 program years.

9 **SEC. 172. PROMPT ALLOCATION OF FUNDS.**

10 (a) PUBLICATION OF FORMULA ALLOCATIONS AND
11 ALLOTMENTS.—Whenever the Secretary allots and allo-
12 cates funds required to be allotted or allocated by formula
13 under this title, the Secretary shall publish in a timely
14 fashion in the Federal Register the proposed amount to
15 be distributed to each recipient.

16 (b) PUBLICATION OF DISCRETIONARY ALLOCATION
17 FORMULA.—Whenever the Secretary utilizes a formula to
18 allot or allocate funds made available for distribution at
19 the Secretary's discretion under this Act, the Secretary
20 shall, not later than thirty days prior to such allotment
21 or allocation, publish such formula in the Federal Register
22 for comments along with the rationale for the formula and
23 the proposed amounts to be distributed to each State and
24 area. After consideration of any comments received, the

1 Secretary shall publish final allotments and allocations in
2 the Federal Register.

3 **SEC. 173. MONITORING.**

4 (a) IN GENERAL.—The Secretary is authorized to
5 monitor all recipients of financial assistance under this
6 title to determine whether they are complying with the
7 provisions of this title and the regulations issued under
8 this title.

9 (b) INVESTIGATIONS.—The Secretary may inves-
10 tigate any matter the Secretary deems necessary to deter-
11 mine compliance with this title and regulations issued
12 under this title. The investigations authorized by this sub-
13 section may include examining records (including making
14 certified copies thereof), questioning employees, and enter-
15 ing any premises or onto any site in which any part of
16 a program of a recipient is conducted or in which any of
17 the records of the recipient are kept.

18 (c) WITNESSES AND DOCUMENTS.—For the purpose
19 of any investigation or hearing under this Act, the provi-
20 sions of section 9 of the Federal Trade Commission Act
21 (15 U.S.C. 49) (relating to the attendance of witnesses
22 and the production of books, papers, and documents) are
23 made applicable to the Secretary.

24 **SEC. 174. FISCAL CONTROLS; SANCTIONS.**

25 (a) IN GENERAL.—

1 (1) Each State shall establish such fiscal con-
2 trol and fund accounting procedures as may be nec-
3 essary to assure the proper disbursal of, and ac-
4 counting for, Federal funds paid to the recipient
5 under this title. Such procedures shall ensure that
6 all financial transactions are conducted and records
7 maintained in accordance with generally accepted ac-
8 counting principles applicable in each State.

9 (2) The Secretary shall prescribe regulations es-
10 tablishing uniform cost principles substantially
11 equivalent to such principles generally applicable to
12 recipients of Federal grants funds. At a minimum,
13 such standards shall provide that, to be allowable,
14 costs must—

15 (A) be necessary and reasonable for proper
16 and efficient administration of the program
17 under this title;

18 (B) be allocable to the program under this
19 title; and

20 (C) not be a general expense required to
21 carry out the overall responsibilities of State or
22 local governments except as specifically pro-
23 vided by this title.

24 (3) The Governor, in accordance with minimum
25 requirements established by the Secretary in regula-

1 tions, shall prescribe and implement procurement
2 standards to ensure fiscal accountability and prevent
3 fraud and abuse in programs administered under
4 this title. The Secretary, in establishing such mini-
5 mum requirements, shall consult with the Inspector
6 General of the Department of Labor and take into
7 consideration relevant aspects of the circulars issued
8 by the Director of the Office of Management and
9 Budget. Such minimum requirements shall include
10 provisions to ensure that for States, substate areas,
11 and career centers—

12 (A) procurements shall be conducted in a
13 manner providing full and open competition;

14 (B) the use of sole source procurements
15 shall be minimized to the extent practicable, but
16 in every case shall be justified;

17 (C) procurements shall include an appro-
18 priate analysis of the reasonableness of costs
19 and prices;

20 (D) procurements shall not provide excess
21 program income (for nonprofit and government
22 entities) or excess profit (for private for-profit
23 entities), and that appropriate factors shall be
24 utilized in determining whether such income or
25 profit is excessive, such as—

1 (i) the complexity of the work to be
2 performed;

3 (ii) the risk borne by the contractor;
4 and

5 (iii) market conditions in the sur-
6 rounding geographical area;

7 (E) procurements shall clearly specify
8 deliverables and the basis for payment;

9 (F) written procedures shall be established
10 for procurement transactions;

11 (G) no grantee, contractor, subgrantee, or
12 subcontractor shall engage in any conflict of in-
13 terest, actual or apparent, in the selection,
14 award, or administration of a contract or grant
15 under this title;

16 (H) all grantees and subgrantees shall con-
17 duct oversight to ensure compliance with pro-
18 curement standards; and

19 (I) procurement transactions between units
20 of State or local governments, shall be con-
21 ducted on a cost reimburseable basis.

22 (4) The Governor shall annually conduct on-site
23 monitoring of each substate grantee within the State
24 to ensure compliance with the procurement stand-
25 ards established pursuant to paragraph (3).

1 (5) If the Governor determines that a substate
2 grantee area is not in compliance with the procure-
3 ment standards established pursuant to paragraph
4 (3), the Governor shall—

5 (A) require corrective action to secure
6 prompt compliance; and

7 (B) impose the sanctions provided under
8 subsection (b) in the event of failure to take the
9 required corrective action.

10 (6) The Governor shall biennially certify to the
11 Secretary that—

12 (A) the State has implemented the pro-
13 curement standards established under para-
14 graph (3);

15 (B) the State has monitored substate
16 grantees to ensure compliance with the procure-
17 ment standards as required under paragraph
18 (4); and

19 (C) the State has taken appropriate action
20 to secure compliance pursuant to paragraph
21 (5).

22 (7) If the Secretary determines that the Gov-
23 ernor has not fulfilled the requirements of this sub-
24 section, the Secretary shall—

1 (A) require corrective action to secure
2 prompt compliance; and

3 (B) impose the sanctions provided under
4 subsection (f) in the event of failure of the Gov-
5 ernor to take the required corrective action.

6 (b) SUBSTANTIAL VIOLATIONS.—

7 (1) If, as a result of financial and compliance
8 audits or otherwise, the Governor determines that
9 there is a substantial violation of a specific provision
10 of this title or the regulations under this title, and
11 corrective action has not been taken, the Governor
12 shall impose a reorganization plan, which may in-
13 clude—

14 (A) redesignating the substate grantee;

15 (B) prohibiting the use of designated serv-
16 ice providers;

17 (C) merging the substate area into 1 or
18 more other existing substate areas; or

19 (D) other such changes as the Secretary or
20 Governor determines necessary to secure com-
21 pliance.

22 (2)(A) The actions taken by the Governor pur-
23 suant to paragraph (1)(A) may be appealed to the
24 Secretary and shall not become effective until—

25 (i) the time for appeal has expired; or

1 (ii) the Secretary has issued a decision.

2 (B) The actions taken by the Governor pursu-
3 ant to paragraph (1)(B) may be appealed to the
4 Secretary, who shall make a final decision not later
5 than sixty days of the receipt of the appeal.

6 (3) If the Governor fails to promptly take the
7 actions required under paragraph (1), the Secretary
8 shall take such actions.

9 (c) REPAYMENT OF FUNDS.—Every recipient shall
10 repay to the United States amounts found not to have
11 been expended in accordance with this title. The Secretary
12 may offset such amounts against any other amount to
13 which the recipient is or may be entitled under this Act
14 unless the Secretary determines that such recipient should
15 be held liable pursuant to subsection (d). No such action
16 shall be taken except after notice and opportunity for a
17 hearing have been given to the recipient.

18 (d) LIABILITY FOR REPAYMENT OF FUNDS.—

19 (1) Each recipient shall be liable to repay such
20 amounts, from funds other than funds received
21 under this title, upon a determination that the
22 misexpenditures of funds was due to willful dis-
23 regard of the requirements of this title, gross neg-
24 ligence, or failure to observe accepted standards of

1 administration. No such finding shall be made ex-
2 cept after notice and opportunity for a fair hearing.

3 (2) In determining whether to impose any sanc-
4 tion authorized by this section against a recipient for
5 violations by a subgrantee of such recipient under
6 this title or the regulations under this title, the Sec-
7 retary shall first determine whether such recipient
8 has adequately demonstrated that it has—

9 (A) established and adhered to an appro-
10 priate system for the award and monitoring of
11 contracts with subgrantees which contains ac-
12 ceptable standards for ensuring accountability;

13 (B) entered into a written contract with
14 such subgrantee which established clear goals
15 and obligations in unambiguous terms;

16 (C) acted with due diligence to monitor the
17 implementation of the subgrantee contract, in-
18 cluding the carrying out of the appropriate
19 monitoring activities (including audits) at rea-
20 sonable intervals; and

21 (D) taken prompt and appropriate correc-
22 tive action upon becoming aware of any evi-
23 dence of a violation of this Act or the regula-
24 tions under this Act by such subgrantee.

1 (3) If the Secretary determines that the recipi-
2 ent has demonstrated substantial compliance with
3 the requirements of paragraph (2), the Secretary
4 may waive the imposition of sanctions authorized by
5 this section upon such recipient. The Secretary is
6 authorized to impose any sanction consistent with
7 the provisions of this title and any applicable Fed-
8 eral or State law directly against any subgrantee for
9 violation of this Act or the regulations under this
10 Act.

11 (e) EMERGENCY TERMINATION OF FINANCIAL AS-
12 SISTANCE.—In emergency situations, if the Secretary de-
13 termines it is necessary to protect the integrity of the
14 funds or ensure the proper operation of the program, the
15 Secretary may immediately terminate or suspend financial
16 assistance, in whole or in part, if the recipient is given
17 prompt notice and the opportunity for a subsequent hear-
18 ing within thirty days after such termination or suspen-
19 sion. The Secretary shall not delegate any of the functions
20 specified in this subsection, other than to an officer whose
21 appointment was required to be made by and with the ad-
22 vice and consent of the Senate.

23 (f) CORRECTIVE MEASURES.—If the Secretary deter-
24 mines that any recipient under this title has discharged
25 or in any other manner discriminated against a partici-

1 pant or against any individual in connection with the ad-
 2 ministration of the program involved, or against any indi-
 3 vidual because such individual has filed any complaint or
 4 instituted or caused to be instituted any proceeding under
 5 or related to this title, or has testified or is about to testify
 6 in any such proceeding or investigation under or related
 7 to this title, or otherwise unlawfully denied to any individ-
 8 ual a benefit under the provisions of this title, or the Sec-
 9 retary's regulations, the Secretary shall, within thirty
 10 days, take such action or order such corrective measures,
 11 as necessary, with respect to the recipient or the aggrieved
 12 individual, or both.

13 (g) REMEDIES NOT EXCLUSIVE.—The remedies
 14 under this section shall not be construed to be exclusive
 15 remedies.

16 **SEC. 175. REPORTS, RECORDKEEPING, AND INVESTIGA-**
 17 **TIONS.**

18 (a) RECORDS.—

19 (1) Recipients shall keep records that are suffi-
 20 cient to permit the preparation of reports required
 21 by this title and to permit the tracing of funds to
 22 a level of expenditure adequate to insure that the
 23 funds have not been spent unlawfully.

24 (2) Every recipient shall maintain such records
 25 and submit such reports, in such form and contain-

1 ing such information, as the Secretary requires re-
2 garding the performance of its programs. Such
3 records and reports shall be submitted to the Sec-
4 retary but shall not be required to be submitted
5 more than once each quarter unless specifically re-
6 quested by the Congress or a committee thereof.

7 (3) In order to allow for the preparation of na-
8 tional estimates necessary to meet the requirements
9 of subsection (c), recipients shall maintain standard-
10 ized records for all individual participants and pro-
11 vide to the Secretary a sufficient number of such
12 records to provide for an adequate analysis.

13 (4)(A) Except as provided in subparagraph (B),
14 records maintained by recipients pursuant to this
15 subsection shall be made available to the public upon
16 request.

17 (B) Subparagraph (A) shall not apply to—

18 (i) information, the disclosure of which
19 would constitute a clearly unwarranted invasion
20 of personal privacy; and

21 (ii) trade secrets, or commercial or finan-
22 cial information, obtained from a person and
23 privileged or confidential.

1 (C) Recipients may charge fees sufficient to re-
2 cover costs applicable to the processing of requests
3 for records under subparagraph (A).

4 (b) INVESTIGATIONS.—

5 (1)(A) In order to evaluate compliance with the
6 provisions of this title, the Secretary shall conduct,
7 in several States, in each fiscal year investigations of
8 the use of funds received by recipients under this
9 title.

10 (B) In order to insure compliance with the pro-
11 visions of this title, the Comptroller General of the
12 United States may conduct investigations of the use
13 of funds received under this title by any recipient.

14 (2) In conducting any investigation under this
15 title, the Secretary or the Comptroller General of the
16 United States may not request the compilation of
17 any new information not readily available to such re-
18 cipient.

19 (3)(A) In carrying out any audit under this title
20 (other than any initial audit survey or any audit in-
21 vestigating possible criminal or fraudulent conduct),
22 either directly or through grant or contract, the Sec-
23 retary, the Inspector General, or the Comptroller
24 General shall furnish to the State, substate grantee,
25 recipient, or other entity to be audited, advance noti-

1 fication of the overall objectives and purposes of the
2 audit, and any extensive recordkeeping or data re-
3 quirements to be met, not fewer than fourteen days
4 (or as soon as practicable), prior to the commence-
5 ment of the audit.

6 (B) If the scope, objectives, or purposes of the
7 audit change substantially during the course of the
8 audit, the entity being audited shall be notified of
9 the change as soon as practicable.

10 (C) The reports on the results of such audits
11 shall cite the law, regulation, policy, or other criteria
12 applicable to any finding.

13 (D) Nothing contained in this title shall be con-
14 strued so as to be inconsistent with the Inspector
15 General Act of 1978 (5 U.S.C. App.) or government
16 auditing standards issued by the Comptroller Gen-
17 eral.

18 (c) RESPONSIBILITIES OF FUND RECIPIENTS.—Each
19 State, each substate grantee, each career center, and each
20 recipient (other than a subrecipient, grantee or contractor
21 of a recipient) receiving funds under this title shall—

22 (1) make readily accessible reports concerning
23 its operations and expenditures as shall be pre-
24 scribed by the Secretary;

1 (2) prescribe and maintain comparable manage-
2 ment information systems, in accordance with guide-
3 lines that shall be prescribed by the Secretary, de-
4 signed to facilitate the uniform compilation, cross
5 tabulation, and analysis of programmatic, partici-
6 pant, and financial data, on statewide and substate
7 area bases, necessary for reporting, monitoring, and
8 evaluating purposes, including data necessary to
9 comply with section 177; and

10 (3) monitor the performance of service provid-
11 ers in complying with the terms of grants, contracts,
12 or other agreements made pursuant to this Act.

13 (d) RETENTION OF RECORDS.—The Governor shall
14 ensure that requirements are established for retention of
15 all records pertinent to all grants awarded, and contracts
16 and agreements entered into, under this title, including
17 financial, statistical, property and participant records and
18 supporting documentation. For funds allotted to a State
19 for any program year, records shall be retained for two
20 years following the date on which the annual expenditure
21 report containing the final expenditures charged to such
22 program year's allotment is submitted to the Secretary.
23 Records for nonexpendable property shall be retained for
24 a period of three years after final disposition of the prop-
25 erty.

1 (e) FINANCIAL RECORDS.—Each State, substate
2 grantee, and career center shall maintain records with re-
3 spect to programs under this title that identify—

4 (1) any program income or profits earned, in-
5 cluding such income or profits earned by
6 subrecipients; and

7 (2) any costs incurred (such as stand-in costs)
8 that are otherwise allowable except for funding limi-
9 tations.

10 **SEC. 176. ADMINISTRATIVE ADJUDICATION.**

11 (a) IN GENERAL.—Whenever any applicant for finan-
12 cial assistance under this title is dissatisfied because the
13 Secretary has made a determination not to award financial
14 assistance in whole or in part to such applicant, the appli-
15 cant may request a hearing before an administrative law
16 judge of the Department of Labor. A similar hearing may
17 also be requested by any recipient upon whom a corrective
18 action or a sanction has been imposed by the Secretary.
19 Except to the extent provided for in section 161(b), sub-
20 sections (d) and (e) of section 164, or section 177, all
21 other disputes arising under this title shall be adjudicated
22 under grievance procedures established by the recipient or
23 under applicable law other than this title.

24 (b) FINAL DECISIONS.—The decision of the adminis-
25 trative law judge shall constitute final action by the Sec-

1 retary unless, within twenty days after receipt of the deci-
 2 sion of the administrative law judge, a party dissatisfied
 3 with the decision or any part thereof has filed exceptions
 4 with the Secretary specifically identifying the procedure,
 5 fact, law, or policy to which exception is taken. Any excep-
 6 tion not specifically urged shall be deemed to have been
 7 waived. Thereafter the decision of the administrative law
 8 judge shall become the final decision of the Secretary un-
 9 less the Secretary, within thirty days of such filing, has
 10 notified the parties that the case has been accepted for
 11 review.

12 (c) DEADLINE FOR REVIEW.—Any case accepted for
 13 review by the Secretary shall be decided within one hun-
 14 dred and eighty days of such acceptance. If not so decided,
 15 the decision of the administrative law judge shall become
 16 the final decision of the Secretary.

17 (d) APPLICABLE PROVISIONS.—The provisions of sec-
 18 tion 178 shall apply to any final action of the Secretary
 19 under this section.

20 **SEC. 177. NONDISCRIMINATION.**

21 (a) IN GENERAL.—

22 (1) For the purpose of applying the prohibitions
 23 against discrimination on the basis of age under the
 24 Age Discrimination Act of 1975, on the basis of dis-
 25 ability under section 504 of the Rehabilitation Act,

1 on the basis of sex under title IX of the Education
2 Amendments of 1972, or on the basis of race, color,
3 or national origin under title VI of the Civil Rights
4 Act of 1964, programs and activities funded or oth-
5 erwise financially assisted in whole or in part under
6 this title are considered to be programs and activi-
7 ties receiving Federal financial assistance.

8 (2) No individual shall be excluded from partici-
9 pation in, denied the benefits of, subjected to dis-
10 crimination under, or denied employment in the ad-
11 ministration of or in connection with any such pro-
12 gram because of race, color, religion, sex, national
13 origin, age, political affiliation or belief, or status as
14 a qualified individual with disabilities.

15 (3) Participants shall not be employed on the
16 construction, operation, or maintenance of so much
17 of any facility as is used or to be used for sectarian
18 instruction or as a place for religious worship.

19 (4) With respect to terms and conditions affect-
20 ing, or rights provided to, individuals who are par-
21 ticipants in activities supported by funds provided
22 under this title, such individuals shall not be dis-
23 criminated against solely because of their status as
24 such participants.

1 (5) Participation in programs and activities fi-
2 nancially assisted in whole or in part under this title
3 shall be open to citizens and nationals of the United
4 States, lawfully admitted permanent resident aliens,
5 lawfully admitted refugees and parolees, and other
6 individuals authorized by the Attorney General to
7 work in the United States.

8 (b) FAILURE TO COMPLY.—Whenever the Secretary
9 finds that a State or other recipient has failed to comply
10 with a provision of law referred to in subsection (a)(1),
11 with paragraph (2), (3), (4), or (5) of subsection (a), or
12 with an applicable regulation prescribed to carry out such
13 paragraphs, the Secretary shall notify such State or recipi-
14 ent and shall request it to comply. If within a reasonable
15 period of time, not to exceed sixty days, the State or recipi-
16 ent fails or refuses to comply, the Secretary may—

17 (1) refer the matter to the Attorney General
18 with a recommendation that an appropriate civil ac-
19 tion be instituted;

20 (2) exercise the powers and functions provided
21 by title VI of the Civil Rights Act of 1964, the Age
22 Discrimination Act of 1975, or section 504 of the
23 Rehabilitation Act, as may be applicable; or

24 (3) take such other action as may be provided
25 by law.

1 (c) REFERRAL TO ATTORNEY GENERAL.—When a
2 matter is referred to the Attorney General pursuant to
3 subsection (b)(1), or whenever the Attorney General has
4 reason to believe that a State or other recipient is engaged
5 in a pattern or practice in violation of a provision of law
6 referred to in subsection (a)(1) or in violation of para-
7 graph (2), (3), (4), or (5) of subsection (a), the Attorney
8 General may bring a civil action in any appropriate district
9 court of the United States for such relief as may be appro-
10 priate, including injunctive relief.

11 **SEC. 178. JUDICIAL REVIEW.**

12 (a) IN GENERAL.—

13 (1) With respect to any final order by the Sec-
14 retary under section 176 whereby the Secretary de-
15 termines to award, to not award, or to only condi-
16 tionally award, financial assistance, with respect to
17 any final order of the Secretary under section 176,
18 with respect to a corrective action or sanction im-
19 posed under section 174, any party to a proceeding
20 which resulted in such final order may obtain review
21 of such final order in the United States Court of Ap-
22 peals having jurisdiction over the applicant or recipi-
23 ent of funds, by filing a review petition within thirty
24 days of such final order.

1 (2) The clerk of the court shall transmit a copy
2 of the review petition to the Secretary, who shall file
3 the record upon which the final order was entered as
4 provided in section 2112 of title 28, United States
5 Code. Review petitions, unless ordered by the court,
6 shall not stay the Secretary's order. Petitions under
7 this title shall be heard expeditiously, if possible
8 within ten days of the filing of a reply brief.

9 (3) No objection to the order of the Secretary
10 shall be considered by the court unless the objection
11 shall have been specifically and timely urged before
12 the Secretary. Review shall be limited to questions
13 of law and the Secretary's findings of fact shall be
14 conclusive if supported by substantial evidence.

15 (b) JURISDICTION OF THE COURT.—The court shall
16 have jurisdiction to make and enter a decree affirming,
17 modifying, or setting aside the order of the Secretary in
18 whole or in part. The court's judgment shall be final, sub-
19 ject to certiorari review by the Supreme Court of the Unit-
20 ed States as provided in section 1254(1) of title 28, Unit-
21 ed States Code.

22 **SEC. 179. ADMINISTRATIVE PROVISIONS.**

23 (a) RULES AND REGULATIONS.—The Secretary may,
24 in accordance with chapter 5 of title 5, United States
25 Code, prescribe such rules and regulations (including per-

1 formance standards) as the Secretary deems necessary.
2 Such rules and regulations may include adjustments au-
3 thorized by section 204 of the Intergovernmental Coopera-
4 tion Act of 1968. All such rules and regulations shall be
5 published in the Federal Register at least thirty days prior
6 to their effective date. Copies of all such rules and regula-
7 tions shall be transmitted to the appropriate committees
8 of the Congress at the same time and shall contain, with
9 respect to each material provision of such rules and regu-
10 lations, citations to the particular substantive section of
11 law which is the basis therefor.

12 (b) GIFTS.—The Secretary is authorized, in carrying
13 out this title, to accept, purchase, or lease in the name
14 of the department, and employ or dispose of in furtherance
15 of the purposes of this title, any money or property, real,
16 personal, or mixed, tangible or intangible, received by gift,
17 devise, bequest, or otherwise, and to accept voluntary and
18 uncompensated services notwithstanding the provisions of
19 section 1342 of title 31, United States Code.

20 (c) AUTHORITY TO EXPEND FUNDS.—The Secretary
21 may make such grants, contracts, or agreements, establish
22 such procedures and make such payments, in installments
23 and in advance or by way of reimbursement, or otherwise
24 allocate or expend funds under this title as necessary to
25 carry out this title, including (without regard to the provi-

1 sions of section 4774(d) of title 10, United States Code)
 2 expenditures for construction, repairs, and capital im-
 3 provements, and including necessary adjustments in pay-
 4 ments on account of overpayments of underpayments.

5 (d) USE OF SERVICES AND FACILITIES.—The Sec-
 6 retary is authorized, in carrying out this title, under the
 7 same conditions applicable under section 179(c) or to the
 8 extent permitted by law other than this title, to accept
 9 and use the services and facilities of departments, agen-
 10 cies, and establishments of the United States. The Sec-
 11 retary is also authorized to accept and use the services
 12 and facilities of the agencies of any State or political sub-
 13 division of a State, with its consent.

14 (e) POLITICAL ACTIVITIES.—The Secretary shall not
 15 provide financial assistance for any program under this
 16 title which involves political activities.

17 **SEC. 180. OBLIGATIONAL AUTHORITY.**

18 Notwithstanding any other provision of this title, no
 19 authority to enter into contracts or financial assistance
 20 agreements under this title shall be effective except to
 21 such extent or in such amount as are provided in advance
 22 in appropriation Acts.

23 **SEC. 181. CRIMINAL PROVISIONS.**

24 Section 665 of title 18, United States Code, is
 25 amended by striking “or the Job Training Partnership

1 Act” each place it appears and inserting “, the Job Train-
 2 ing Partnership Act, or title I of the Reemployment Act
 3 of 1994”.

4 **SEC. 182. REFERENCES.**

5 Effective on the date of enactment of this title, all
 6 references in any other statute other than this Act, and
 7 other than in section 665 of title 18, United States Code,
 8 to the Job Training Partnership Act shall be deemed to
 9 also refer to title I of the Reemployment Act of 1994.

10 **PART F—MISCELLANEOUS PROVISIONS**

11 **SEC. 191. EFFECTIVE DATE.**

12 This title shall take effect on July 1, 1995.

13 **SEC. 192. REPEALERS**

14 (a) IN GENERAL.—The following programs shall ter-
 15minate on July 1, 1995:

16 (1) the program authorized pursuant to sec-
 17 tions 301–324 of the Job Training Partnership Act,
 18 commonly referred to as EDWAA;

19 (2) the program authorized under section 325
 20 of such Act, commonly referred to as the Defense
 21 Conversion Adjustment Program;

22 (3) the program authorized under section 325A
 23 of such Act, commonly referred to as the Defense
 24 Diversification Program; and

1 (4) the program authorized under section 326
 2 of such Act, commonly referred to as the Clean Air
 3 Employment Transition Assistance Program.

4 (b) ADDITIONAL PROGRAM.—Part J of title IV and
 5 section 462(e) of the Job Training Partnership Act shall
 6 terminate on July 1, 1995.

7 **SEC. 193. TRANSITION.**

8 The Secretary may establish such rules and proce-
 9 dures as may be necessary to provide for the orderly tran-
 10 sition from the programs described in section 192(a) to
 11 the program authorized under this title.

12 **TITLE II—RETRAINING INCOME SUPPORT**
 13 **AND FLEXIBILITY IN UNEMPLOYMENT**
 14 **COMPENSATION**

15 **PART A—RETRAINING INCOME SUPPORT**
 16 **PROGRAM**

17 **SEC. 201. ESTABLISHMENT.**

18 There is hereby established a retraining income sup-
 19 port program to assist permanently laid-off individuals
 20 participating in long-term training programs.

21 **SEC. 202. ELIGIBILITY REQUIREMENTS.**

22 (a) TENURED WORKERS.—For a week beginning
 23 after July 1, 1995, to the extent that funds are available
 24 in the account established by section 911 of the Social Se-
 25 curity Act, payment of retraining income support shall be

1 made to an individual who files an application for such
2 support if the following conditions are met:

3 (1) Such individual has been permanently laid
4 off from such individual's employer.

5 (2) Except as specified in subsections (b) and
6 (c), such individual had been continuously employed
7 at the time of the permanent layoff for a period of
8 three years or more by the employer from whom
9 such individual has been permanently laid off.

10 (3) Such individual—

11 (A) was entitled, as a result of the layoff
12 described in paragraph (1), to (or would have
13 been entitled to if such individual had applied
14 therefor) unemployment compensation under
15 any Federal or State law for a week within the
16 benefit period in which the layoff took place, or
17 which began (or would have begun) by reason
18 of the filing of a claim for unemployment com-
19 pensation by such individual after such layoff;

20 (B) has exhausted all rights to any unem-
21 ployment compensation to which such individual
22 was entitled (or would have been entitled if
23 such individual had applied therefor); and

1 (C) does not have an unexpired waiting pe-
2 riod applicable to such individual for such un-
3 employment compensation.

4 (4) Such individual is participating, and making
5 satisfactory progress, in an education or training
6 program that is part of a reemployment plan devel-
7 oped for such individual by an agency certified by
8 the Secretary of Labor to develop reemployment
9 plans, and has been enrolled in such program by—

10 (A) the end of the sixteenth week after the
11 permanent layoff, or, if later, the end of the
12 fourteenth week after such individual is aware
13 that the layoff is permanent,

14 (B) a period determined by the Secretary
15 that is not in excess of thirty days after the pe-
16 riods described in subparagraph (A), in cases
17 where under guidelines issued by the Secretary
18 it is determined that there are extenuating cir-
19 cumstances that justify such extension, such as
20 a cancellation of a course, a first available en-
21 rollment date that is after the periods described
22 in subparagraph (A), or the commencement of
23 negotiations for the reopening of the plant or
24 facility from which the individual has been laid
25 off, or

1 (C) the end of the sixteenth week after
2 separation from the subsequent employment de-
3 scribed in section 120 of this Act in the case of
4 an individual who has been issued a certificate
5 of continuing eligibility under such section.

6 (b) TRADE-IMPACTED WORKERS.—To the extent that
7 funds are available in the account established by section
8 911 of the Social Security Act, payment of retraining in-
9 come support shall be made to a permanently laid-off indi-
10 vidual who has been determined to be an adversely af-
11 fected worker covered by a certification issued under part
12 D of this title and who files an application for such sup-
13 port for any week of unemployment which begins more
14 than 60 days after the date on which the petition that
15 resulted in such certification was filed, if the following
16 conditions are met:

17 (1) Such individual's layoff before his, or her, ap-
18 plication under this title occurred—

19 (A) on or after the impact date, as speci-
20 fied in the certification under which such indi-
21 vidual is covered,

22 (B) before the expiration of the two-year
23 period beginning on the date on which the de-
24 termination under section 242 of this Act was
25 made, and

1 (C) before the termination date (if any) de-
2 termined pursuant to paragraph 242(b)(3)(D)
3 of this Act.

4 (2) Such worker had, in the fifty-two-week pe-
5 riod ending with the week in which such layoff oc-
6 curred, at least twenty-six weeks of employment at
7 wages of \$30 or more a week in adversely affected
8 employment with a single firm or subdivision of a
9 firm, or, if data with respect to weeks of employ-
10 ment with a firm are not available, equivalent
11 amounts of employment computed under regulations
12 prescribed by the Secretary. A week that is consid-
13 ered to be a week of employment under subsection
14 (d) shall also be considered a week of employment
15 for purposes of this paragraph.

16 (3) Such individual meets the conditions de-
17 scribed in paragraphs (3) and (4) of subsection (a).

18 (c) ADDITIONAL ELIGIBILITY BEGINNING IN FISCAL
19 YEAR 2000.—For a week beginning after September 30,
20 1999, in addition to individuals meeting the requirements
21 of subsection (a), payment of retraining income support
22 shall, to the extent that funds are available in the account
23 established by section 911 of the Social Security Act, be
24 made to an individual who—

1 (1)(A) has been continuously employed at the
2 time of the permanent layoff for a period of one year
3 or more, but less than three years, by the employer
4 from whom such individual has been permanently
5 laid off; or

6 (B) was continuously employed in the same oc-
7 cupation and industry by a single employer for a pe-
8 riod of one year or more and within the preceding
9 twelve-month period was—

10 (i) separated from such employer, and

11 (ii) employed in the same occupation and
12 industry by a subsequent employer from whom
13 such individual has been permanently laid off;
14 and

15 (2) meets the conditions described in para-
16 graphs (1), (3) and (4) of subsection (a).

17 (d) CONTINUOUS EMPLOYMENT.—(1) For purposes
18 of this part and subject to the limitations of paragraph
19 (2) of this subsection, continuous employment shall be
20 deemed to include any week in which an individual—

21 (A) was on employer-authorized leave for pur-
22 poses of vacation, sickness, injury or inactive duty or
23 active duty military service for training,

1 (B) was on employer-authorized leave because
2 of circumstances described in subsection 102(a) of
3 the Family and Medical Leave Act of 1993,

4 (C) did not work because of a disability that is
5 compensable under a worker's compensation law or
6 plan of a State or the United States,

7 (D) had his, or her, employment interrupted in
8 order to serve as a full-time representative of a labor
9 organization in such firm or subdivision,

10 (E) was on call-up for purposes of active duty
11 in a reserve status in the Armed Forces of the Unit-
12 ed States, provided such active duty is "Federal
13 service" as defined in 5 U.S.C. 8521(a)(1), or

14 (F) was on temporary layoff.

15 (2) LIMITATIONS.—For the purpose of paragraph (1)
16 of this subsection, no more than the following number of
17 weeks within a one-year period may be treated as weeks
18 of employment:

19 (A) Seven weeks in the case of weeks described
20 in subparagraph (a) or (D) of paragraph (1), or
21 both.

22 (B) Twelve weeks in the case of weeks de-
23 scribed in paragraph (B) of paragraph (1).

24 (C) Twenty-six weeks in the case of weeks de-
25 scribed in paragraphs (C) and (E) of paragraph (1).

1 (e) SAME EMPLOYER.—

2 (1) IN GENERAL.—For purposes of this part,
3 employment deemed to be employment for a single
4 employer shall include—

5 (A) all employment on jobs that were cov-
6 ered by a multiemployer plan defined by section
7 4001(a)(3) of the Employee Retirement Income
8 Security Act of 1974;

9 (B) all employment that was obtained
10 through a single hiring hall,

11 (C) all employment for the employer from
12 whom the individual was laid off or the prede-
13 cessor of such employer, and

14 (D) all employment for employers in a
15 joint employment relationship, as described in
16 section 791.2(b) of title 29 of the Code of Fed-
17 eral Regulations, with the individual.

18 (2) DEFINITION OF PREDECESSOR.—For pur-
19 poses of paragraph (1)(C), an employer shall be con-
20 sidered a predecessor of the employer from whom
21 the individual was laid off (hereinafter referred to as
22 successor employer) if—

23 (A) the successor employer acquired sub-
24 stantially all the property used in a trade or

1 business, or used in a separate unit of a trade
2 or business, from such employer; and

3 (B) the individual who was laid-off was
4 employed by such employer in such trade or
5 business, or in a separate unit of such trade or
6 business, immediately before the acquisition and
7 was employed by the successor employer imme-
8 diately after the acquisition.

9 (f) INDIVIDUAL TREATED AS PARTICIPATING IN
10 EDUCATION OR TRAINING PROGRAM.—For purposes of
11 this part, an individual shall be treated as participating,
12 and making satisfactory progress, in an education or
13 training program during any week which is part of a break
14 from training that does not exceed twenty-eight days if
15 the break is provided under such program.

16 **SEC. 203. WEEKLY AMOUNTS.**

17 The retraining income support payable to a perma-
18 nently laid-off individual for a week of training shall be
19 an amount equal to the most recent weekly benefit amount
20 of the unemployment compensation payable to such indi-
21 vidual for a week of total unemployment preceding such
22 individual's first exhaustion of unemployment compensa-
23 tion related to the permanent layoff reduced (but not
24 below zero) by—

1 (1) any training income support provided for
2 such week to such individual under another Federal
3 program;

4 (2) income that is earned from employment
5 that exceeds one-half the amount equal to the most
6 recent weekly benefit amount of the unemployment
7 compensation payable to such individual for a week
8 of total unemployment.

9 **SEC. 204. LIMITATIONS ON RETRAINING INCOME SUPPORT.**

10 (A) INDIVIDUALS WITH THREE YEARS OR MORE OF
11 JOB TENURE.—

12 (1) MAXIMUM AMOUNT.—The maximum
13 amount of retraining income support payable to an
14 individual under subsections (a) and (b) of section
15 202 of this Act shall be the amount which is the
16 product of 52 multiplied by the retraining income
17 support payable to the individual for a week of total
18 unemployment (as determined under section 203),
19 but such product shall be reduced by the total sum
20 of extended and additional unemployment compensa-
21 tion to which the individual was entitled (or would
22 have been entitled had he applied therefor) in the
23 worker's first benefit period as described in section
24 202(a)(3)(A).

25 (2) PERIOD OF AVAILABILITY.—

1 (A) Subject to the provisions of paragraph
2 (B) of this subsection, no retraining income
3 support shall be paid for any week occurring
4 after the close of the one hundred and four-
5 week period that begins with the first week fol-
6 lowing the week after the individual was perma-
7 nently laid off as described in section 202(a)(1)
8 of this Act.

9 (B) For the purpose of determining the
10 one hundred and four week period in subpara-
11 graph (A) of this subsection, the period of time
12 specified in a certificate of continuing eligibility
13 issued pursuant under section 120 of this Act
14 during which the individual is employed in a job
15 described by that section shall not be counted.

16 (b) INDIVIDUALS WITH LESS THAN THREE YEARS
17 OF JOB TENURE.—

18 (1) MAXIMUM AMOUNT.—The maximum
19 amount of retraining income support payable to an
20 individual under subsection 202(c) this Act shall be
21 the amount which is the product of twenty-six multi-
22 plied by the retraining income support payable to
23 the individual for a week of total unemployment (as
24 determined under section 203), but such product
25 shall be reduced by the total sum of extended and

1 additional unemployment compensation to which the
2 individual was entitled (or would have been entitled
3 had he applied therefore) in the worker's first bene-
4 fit period as described in section 202(a)(3)(A).

5 (2) PERIOD OF AVAILABILITY.—

6 (A) Subject to the provisions of paragraph

7 (B) of this subsection, no retraining income
8 support shall be paid for any week occurring
9 after the close of the seventy-eight-week period
10 that begins with the first week following the
11 week after the individual was permanently laid
12 off as described in paragraph (1) section 202(a)
13 of this Act.

14 (B) For the purpose of determining the
15 seventy-eight-week period in paragraph (A) of
16 this subsection, the period of time specified in
17 a certificate of continuing eligibility issued pur-
18 suant under section 120 of this Act during
19 which the individual is employed in a job de-
20 scribed by that section shall not be counted.

21 (c) WEEKS DURING WHICH INDIVIDUAL RECEIVED
22 ON-THE-JOB TRAINING.—No retraining income support
23 shall be paid to an individual under this part for any week
24 during which the individual is receiving on-the-job train-
25 ing.

1 (d) COORDINATION WITH EXTENDED BENEFITS
 2 PROGRAM.—Notwithstanding any other provision of this
 3 Act or other Federal law, if the benefit year of an individ-
 4 ual ends within an extended benefit period, the number
 5 of weeks of extended benefits that such worker would, but
 6 for this subsection, be entitled to an extended benefit pe-
 7 riod shall be reduced (but not below zero) by the number
 8 of weeks for which the individual was entitled, during such
 9 benefit year, to retraining income support under this Act.
 10 For purposes of this subsection, the terms “benefit year”
 11 and “extended benefit period” shall have the same respec-
 12 tive meanings given to them in the Federal-State Ex-
 13 tended Unemployment Compensation Act of 1970.

14 **SEC. 205. AGREEMENTS WITH STATES.**

15 (A) AGREEMENT REQUIREMENTS.—

16 (1) The Secretary is authorized on behalf of the
 17 United States to enter into an agreement with any
 18 State, or with any State agency (referred to in this
 19 part as “cooperating States” and “cooperating
 20 States agencies” respectively). Under such an agree-
 21 ment, the cooperating State agency (A) will receive
 22 applications for, and will provide, payments on the
 23 basis provided in this part, (B) will provide informa-
 24 tion to each applicant describing the time periods by
 25 which enrollment in education must in order to be

1 eligible for retraining income support pursuant to
2 section 202 of this Act, (C) will provide for a system
3 of voluntary withholding of Federal individual in-
4 come tax for all individuals receiving retraining in-
5 come support and (D) will otherwise cooperate with
6 the Secretary and with other Federal agencies in
7 providing payments under this part.

8 (2) Each agreement under this part shall pro-
9 vide the terms and conditions upon which the agree-
10 ment may be amended, suspended, or terminated.

11 (b) DETERMINATIONS.—A determination by a co-
12 operating State agency with respect to eligibility for re-
13 training income support under this part is subject to re-
14 view in the same manner and to the same extent as deter-
15 minations under the applicable State law and only in that
16 manner and to that extent.

17 (c) SURETY BONDS.—Any agreement under this part
18 may require any officer or employee of the State certifying
19 payments or disbursing funds under the agreement or oth-
20 erwise participating in the performance of the agreement,
21 to give a surety bond to the United States in such amount
22 as the Secretary may deem necessary, and may provide
23 for the cost of such bond from funds for carrying out the
24 purposes of this part.

1 **SEC. 206. ADMINISTRATION ABSENT STATE AGREEMENT.**

2 (a) IN GENERAL.—In any State where there is no
3 agreement in force between a State or its agency under
4 section 205 of this Act, the Secretary shall arrange, under
5 prescribed regulations, for performance of all necessary
6 functions under this part, including provisions for a fair
7 hearing for any individual whose application for payments
8 has been denied.

9 (b) JUDICIAL REVIEW.—A final determination under
10 subsection (a) with respect to eligibility for retraining in-
11 come support under this part is subject to review by the
12 courts in the same manner and to the same extent as is
13 provided by section 205(g) of the Social Security Act.

14 **SEC. 207. LIABILITIES OF CERTIFYING AND DISBURSING**
15 **OFFICERS.**

16 (a) CERTIFYING OFFICERS.—No person designated
17 by the Secretary, or designated pursuant to an agreement
18 under this part, as a certifying officer, shall, in the ab-
19 sence of gross negligence or intent to defraud the United
20 States, be liable with respect to any payment certified by
21 him under this part.

22 (b) DISBURSING OFFICERS.—No disbursing officer
23 shall, in the absence of gross negligence or intent to de-
24 fraud the United States, be liable with respect to any pay-
25 ment by him, or her, under this part if it was based upon

1 a voucher signed by a certifying officer designated as pro-
2 vided in subsection (a).

3 **SEC. 208. FRAUD AND RECOVERY OF OVERPAYMENTS.**

4 (a) IN GENERAL.—

5 (1) If a cooperating State agency, the Sec-
6 retary, or a court of competent jurisdiction deter-
7 mines that any person has received any payment
8 under this part to which the person was not entitled,
9 including a payment referred to in subsection (b),
10 such person shall be liable to repay such amount to
11 the State agency or the Secretary, as the case may
12 be, except that the State agency or the Secretary
13 may waive such repayment if such agency or the
14 Secretary determines, in accordance with guidelines
15 prescribed by the Secretary, that—

16 (A) the payment was made without fault
17 on the part of such individual, and

18 (B) requiring such repayment would be
19 contrary to equity and good conscience.

20 (2) Unless an overpayment is otherwise recov-
21 ered, or waived under paragraph (1), the State agen-
22 cy or the Secretary shall recover the overpayment by
23 deductions from any sum payable to such person
24 under this part, under any Federal unemployment
25 compensation law administered by the State agency

1 or the Secretary, or under any other Federal law ad-
2 ministered by the State agency or the Secretary,
3 which provides for the payment of assistance or an
4 allowance with respect to unemployment, and, not-
5 withstanding any other provision of State law or
6 Federal law to the contrary, the Secretary may re-
7 quire the State agency to recover any overpayment
8 under this part by deduction from any unemploy-
9 ment compensation payable to such person under
10 the State law, except that no single deduction under
11 this paragraph shall exceed 50 percent of the
12 amount otherwise payable.

13 (b) DISBARMENT.—If a cooperating State agency,
14 the Secretary, or a court of competent jurisdiction deter-
15 mines that an individual—

16 (1) knowingly has made, or caused another to
17 make, a false statement or representation of a mate-
18 rial fact, or

19 (2) knowingly has failed, or caused another to
20 fail, to disclose a material fact, and as a result of
21 such false statement or representation, or of such
22 nondisclosure, such individual has received any pay-
23 ment under this part to which the individual was not
24 entitled,

1 such individual shall in addition to any other penalty pro-
2 vided by law, be ineligible for any further payments under
3 this part.

4 (c) FINAL DETERMINATION.—Except for overpay-
5 ments determined by a court of competent jurisdiction, no
6 repayment may be required, and no deduction may be
7 made, under this section until a determination under sub-
8 section (a)(1) by the State agency or the Secretary, as
9 the case may be, has been made, notice of the determina-
10 tion and opportunity for a fair hearing thereon has been
11 given to the individual concerned, and the determination
12 has become final.

13 (d) AMOUNT RECOVERED.—Any amount recovered
14 under this section shall be returned to the Retraining In-
15 come Support Account established under section 911 of
16 the Social Security Act.

17 **SEC. 209. PENALTIES.**

18 Whoever makes a false statement of a material fact
19 knowing it to be false, or knowingly fails to disclose a ma-
20 terial fact, for the purpose of obtaining or increasing any
21 payment authorized to be furnished under this part or
22 pursuant to an agreement under section 105 shall be fined
23 not more than \$1,000 or imprisoned for not more than
24 one year, or both. Nothing in this section shall supersede

1 any other applicable provisions of title 18 of the United
2 States Code.

3 **SEC. 210. DEFINITIONS.**

4 For purpose of this part:

5 (1) The term “State” includes the District of
6 Columbia, the Commonwealth of Puerto Rico, and
7 the Virgin Islands.

8 (2) The term “State agency” means the agency
9 of the State which administers the State law.

10 (3) The term “State law” means the unemploy-
11 ment compensation law of the State approved by the
12 Secretary of Labor under section 3304 of the Inter-
13 nal Revenue Code of 1986.

14 (4) The term “applicable State law” means the
15 State law of the State in which the individual filed,
16 and became eligible, for unemployment compensa-
17 tion.

18 (5) The term “unemployment compensation”
19 means the unemployment compensation payable to
20 an individual under any State law or Federal unem-
21 ployment compensation law, including chapter 85 of
22 title 5, United States Code, and the Railroad Unem-
23 ployment Insurance Act.

24 (6) The term “week” means a week as defined
25 in the applicable State.

1 (7) The term “benefit period” means, with re-
2 spect to an individual—

3 (A) the benefit year and any ensuing pe-
4 riod, as determined under the applicable State
5 law, during which the individual is eligible for
6 regular compensation, additional compensation,
7 or extended compensation, or

8 (B) the equivalent to such a benefit year
9 or ensuing period provided for under the appli-
10 cable Federal unemployment compensation law.

11 (8) The term “on-the-job” training means
12 training provided by the employer to an individual
13 who performs services for remuneration for the em-
14 ployer.

15 (9) The term “Secretary” means the Secretary
16 of Labor.

17 (10) The term “permanently laid off” means a
18 layoff under which a recall is not expected within
19 twenty-six weeks.

20 (11) The term “extended unemployment com-
21 pensation” means compensation (including com-
22 pensation payable pursuant to chapter 85 of title 5)
23 payable for weeks of unemployment beginning in an
24 extended benefit period to an individual under those
25 provisions of a State law which satisfy the require-

1 ments of the Federal-State Extended Unemployment
2 Compensation Act of 1970 with respect to the pay-
3 ment of extended compensation.

4 (12) The term “additional compensation”
5 means compensation payable by reason of conditions
6 of high unemployment or other special factors to in-
7 dividuals who have exhausted their unemployment
8 compensation.

9 **SEC. 211. REGULATIONS.**

10 The Secretary shall prescribe such regulations as may
11 be necessary to carry out the provisions of this part.

12 **SEC. 212. EFFECTIVE DATE.**

13 The provisions of this part shall take effect on July
14 1, 1995.

15 **PART B—RETRAINING INCOME SUPPORT**

16 **ACCOUNT**

17 **SEC. 221. ESTABLISHMENT OF RETRAINING INCOME SUP-**
18 **PORT ACCOUNT.**

19 Title IX of the Social Security Act is amended by
20 adding after section 910 the following section:

21 “RETRAINING INCOME SUPPORT ACCOUNT

22 “SEC. 911. (a) ESTABLISHMENT OF ACCOUNT.—

23 There is hereby established in the Unemployment Trust
24 Fund a Retraining Income Support Account. For the pur-
25 poses provided for in section 904(e), such account shall
26 be maintained as a separate book account.

1 “(b) TRANSFERS TO ACCOUNT.—

2 “(1) TRANSFER OF TAX RECEIPTS.—The Sec-
 3 retary of the Treasury shall transfer (as of the close
 4 of each month) from the employment security ad-
 5 ministration account to the retraining income sup-
 6 port account established by subsection (a) an
 7 amount equal to one fifth of the tax collected under
 8 section 3301 of the Internal Revenue Code of 1986,
 9 (exclusive of any increased revenue that is the result
 10 of a loss of the tax credit permitted under sub-
 11 sections (a) or (b) of section 3302 of the Internal
 12 Revenue Code of 1986 or a tax credit reduction
 13 under paragraphs (2) or (3) of subsection 3302(c) of
 14 such code) and covered into the Treasury.

15 “(2) LIMITATION ON TRANSFERS.—The amount
 16 transferred pursuant to paragraph (1) in the follow-
 17 ing fiscal years shall not exceed the amounts listed
 18 in the following table:

Fiscal year:	Amount
Fiscal year 1996	\$350,000,000
Fiscal year 1997	\$500,000,000
Fiscal year 1998	\$550,000,000
Fiscal year 1999	\$580,000,000
Fiscal year 2000	\$920,000,000.

19 “(3) APPROPRIATION OF FUNDS.—All funds
 20 transferred to the retraining income support account
 21 established by subsection (a) are hereby appro-

1 priated for the purpose of transfer to the States pur-
2 suant to subsection (c).

3 “(c) TRANSFERS TO STATES.—

4 “(1) Amounts in the retraining income support
5 account shall be available for transfer to States
6 which have an agreement described in section 205 of
7 the Reemployment Act of 1994.

8 “(2) The Secretary of Labor shall from time to
9 time certify to the Secretary of the Treasury for
10 transfer to each State that has an agreement de-
11 scribed in section 205 of the Reemployment Act of
12 1994 the sums necessary to enable such State to
13 make payments provided by section 202 of such Act.
14 The Secretary of the Treasury, prior to audit or set-
15 tlement by the General Accounting Office, shall
16 make payment to the State in accordance with such
17 certification.

18 “(3) Amounts transferred to a State under
19 paragraph (2) shall be used only in the payment of
20 cash benefits to individuals with respect to their re-
21 training income support provided by section 202 of
22 the Reemployment Act of 1994; and money so re-
23 ceived by a State which is not used for such pay-
24 ments shall be returned, at the time specified in the
25 agreement entered into under section 205 of such

1 Act, to the Secretary of the Treasury for deposit in
2 the Retraining Income Support Account established
3 under subsection (a). Nothing in this paragraph
4 shall be construed to prohibit deducting an amount
5 from retraining income support otherwise payable to
6 an individual and using the amount so deducted to
7 pay for either health insurance or the withholding of
8 Federal individual income tax if the individual elect-
9 ed to have such deduction made and, in the case of
10 a deduction for health insurance, such deduction was
11 made under a program approved by the Secretary of
12 Labor.

13 “(d) REPAYMENT.—Whenever the Secretary of the
14 Treasury (after consultation with the Secretary of Labor)
15 determines that the amount transferred to a State under
16 subsection (c) exceeds the amount necessary to meet the
17 anticipated payments for retraining income support from
18 the account, the Secretary of the Treasury shall demand
19 of that State the amount of such excess, which shall be
20 returned to the Retraining Income Support Account estab-
21 lished under subsection (a).”.

22 **SEC. 222. FUNDS FOR ADMINISTRATION.**

23 (a) Subparagraph (A) of section 901(c)(1) of the So-
24 cial Security Act is amended by—

25 (1) striking “and” at the end of clause (ii);

1 (2) adding “and” at the end of clause (iii); and

2 (3) adding at the end thereof the following:

3 “(iv) assisting the States in the adminis-
4 tration of cash benefits for retraining income
5 support under section 202 of the Reemployment
6 Act of 1994.”

7 (b) Subparagraph (B) of section 901(c)(1) of the So-
8 cial Security Act is amended by—

9 (1) striking “and” at the end of clause (iv);

10 (2) adding “and” at the end of clause (v); and

11 (3) adding at the end thereof the following:

12 “(vi) title II of the Reemployment Act of
13 1994.”

14 (c) Section 901(c)(2) of the Social Security Act is
15 amended by—

16 (1) striking “and” at the end of subparagraph
17 (B);

18 (2) adding “and” at the end of subparagraph
19 (C); and

20 (3) adding at the end thereof the following:

21 “(D) title II of the Reemployment Act of
22 1994.”

23 **SEC. 223. CONFORMING AMENDMENTS.**

24 (a) Subparagraph (B) of section 905(b)(1) of the So-
25 cial Security Act is amended to read as follows:

1 “(B) the sum of the payments and trans-
2 fers during such month from the employment
3 security administration account pursuant to
4 section 901(b) and (d) and section 911(b).”.

5 (b) Section 3302(c)(3) of the Internal Revenue Code
6 of 1986 is amended by—

7 (1) striking “or” at the end of subparagraph
8 (A);

9 (2) adding at the end of subparagraph (B) the
10 following:

11 “(C) entered into an agreement described
12 in section 205 of the Reemployment Act of
13 1994, with the Secretary of Labor before July
14 1, 1995, or

15 “(D) fulfilled its commitments under an
16 agreement described in section 205 of the Re-
17 employment Act of 1994.”.

18 **SEC. 224. EFFECTIVE DATE.**

19 The provisions of this part, and the amendments
20 made by this part, shall take effect on October 1, 1995.

1 **PART C—FINANCING PROVISIONS**

2 **SEC. 231. MODIFICATIONS TO FEDERAL UNEMPLOYMENT**
3 **TAX.**

4 (a) IN GENERAL.—Section 3301 of the Internal Rev-
5 enue Code of 1986 (relating to the rate of Federal unem-
6 ployment tax) is amended to read as follows:

7 **“SEC. 3301. RATE OF TAX.**

8 There is hereby imposed on every employer (as de-
9 fined in section 3306(a)) for each calendar year an excise
10 tax, with respect to having individuals in his employ, equal
11 to 6.2 percent of the total wages (as defined in section
12 3306(b)) paid by him during the calendar year with re-
13 spect to unemployment (as defined in section 3306(c)).”.

14 (b) EFFECTIVE DATE.—The provisions of this sec-
15 tion shall take effect on the date of enactment of this Act.

16 **SEC. 232. VOLUNTARY WITHHOLDING OF FEDERAL INDI-**
17 **VIDUAL INCOME TAX.**

18 (a) AUTHORITY FOR WITHHOLDING.—Section 3402
19 of the Internal Revenue Code of 1986 is amended by add-
20 ing at the end thereof the following new paragraph:

21 “(t) VOLUNTARY WITHHOLDING ON UNEMPLOY-
22 MENT AND OTHER BENEFITS.—For purposes of this
23 chapter, amounts subject to tax under section 85(a), and
24 amounts provided as retraining income support under sec-
25 tion 202 of the Reemployment Act of 1994, shall be treat-
26 ed as if they were a payment of wages by an employer

1 to an employee subject to withholding at a rate of 15 per-
2 cent of the amount paid, if the person to whom the bene-
3 fits are paid so elects. For purposes of this chapter, these
4 amounts will be treated as wages to the extent paid during
5 the period for which the election remains in effect. The
6 election shall be made in such form and manner as the
7 Secretary may provide.”.

8 (b) ADDITIONAL REQUIREMENT FOR APPROVAL OF
9 STATE LAW.—Section 3304(a) of the Internal Revenue
10 Code is amended by adding at the end thereof the follow-
11 ing new paragraph:

12 “(19) provides for a system for the deduction
13 and withholding of Federal individual income tax
14 from unemployment compensation where an individ-
15 ual receiving such compensation voluntarily requests
16 such deduction and withholding.”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Subparagraph (C) of section 3304(a)(4) of
19 the Internal Revenue Code of 1986 is amended by
20 inserting after “health insurance” the following: “,
21 or the withholding of Federal individual income
22 tax,”.

23 (2) Paragraph (5) of section 303(a) of the So-
24 cial Security Act is amended by inserting after

1 “health insurance” the following: “, or the withhold-
2 ing of Federal individual income tax,”.

3 (d) EFFECTIVE DATE.—The provisions of this sec-
4 tion and the amendments made by this section shall take
5 effect on January 1, 1996.

6 **PART D—INTEGRATION OF TRADE-IMPACTED**
7 **WORKERS INTO THE COMPREHENSIVE RE-**
8 **EMPLOYMENT SYSTEM**

9 **SEC. 241. PHASEOUT OF TRADE ADJUSTMENT ASSISTANCE**
10 **PROGRAM.**

11 (a) PHASEOUT.—Section 285 of the Trade Act of
12 1974 (19 U.S.C. 2271 preceding note) is amended by
13 striking subsection (c) and inserting the following:

14 “(c) No technical assistance may be provided under
15 chapter 3, after September 30, 1998.

16 “(d)(1) Except as provided in paragraph (2), no as-
17 sistance may be provided under chapter 2 (including sub-
18 chapter D of such chapter) on or after July 1, 1995.

19 “(2) Notwithstanding paragraph (1), if, on or before
20 June 30, 1995, an individual—

21 “(A) is receiving assistance under chapter 2 (in-
22 cluding subchapter D of such chapter), and

23 “(B) is otherwise eligible to receive assistance
24 in accordance with the requirements of such chapter,
25 such worker shall continue to be eligible to receive

1 such assistance for any week for which the worker
 2 meets the eligibility requirements of the section
 3 under which the initial eligibility was determined.”.

4 (b) EFFECTIVE DATE.—The provisions of this sec-
 5 tion shall take effect on the date of enactment of this Act.

6 **SEC. 242. TEMPORARY PROGRAM FOR THE CERTIFICATION**
 7 **OF TRADE-IMPACTED WORKERS.**

8 (a) ESTABLISHMENT OF TRANSITIONAL CERTIFI-
 9 CATION PROGRAM.—In order to promote the effective inte-
 10 gration of trade-impacted workers into the comprehensive
 11 system of worker reemployment and retraining income
 12 support, there is established within the Department of
 13 Labor a temporary, transitional certification program.

14 (b) COMPONENTS OF CERTIFICATION PROGRAM.—

15 (1) GROUP ELIGIBILITY REQUIREMENTS.—The
 16 Secretary shall certify a group of workers (including
 17 workers in any agricultural firm or subdivision of an
 18 agricultural firm) as eligible for services under title
 19 I of this Act and eligible to apply for retraining in-
 20 come support in accordance with section 202(b) of
 21 this Act if the Secretary determines—

22 (A) that a significant number of proportion
 23 of the workers in such workers’ firm or an ap-
 24 propriate subdivision of the firm have been laid
 25 off, or are threatened to become laid off,

1 (B) that sales or production, or both, of
2 such firm or subdivision have decreased abso-
3 lutely, and

4 (C) that increases of imports of articles
5 like or directly competitive with articles pro-
6 duced by such workers' firm or an appropriate
7 subdivision thereof contributed importantly to
8 the layoffs, or threat thereof, and to such de-
9 cline in sales or production.

10 (2) For purposes of subsection (a)(3)—

11 (A) the term “contributed importantly”
12 means a cause which is important but not nec-
13 essarily more important than any other cause;

14 (B) any firm, or appropriate subdivision of
15 a firm, that engages in exploration or drilling
16 for oil or natural gas shall be considered to be
17 a firm producing oil or natural gas; and

18 (C) any firm, or appropriate subdivision of
19 a firm, that engages in exploration or drilling
20 for oil or natural gas, or otherwise produces oil
21 or natural gas, shall be considered to be pro-
22 ducing articles directly competitive with imports
23 of oil and with imports of natural gas.

24 (2) PETITIONS.—A petition for a certification
25 of eligibility for services under title I of this Act and

1 eligibility to apply for retraining income support in
2 accordance with section 202(b) of this Act may be
3 filed with the Secretary by a group of workers (in-
4 cluding workers in any agricultural firm or subdivi-
5 sion of an agricultural firm) or by their certified or
6 recognized union or other duly authorized represent-
7 ative. Upon receipt of the petition, the Secretary
8 shall promptly publish notice in the Federal Register
9 that such petition has been received and an inves-
10 tigation has begun.

11 (3) DETERMINATION BY SECRETARY OF
12 LABOR.—

13 (A) CERTIFICATION OF ELIGIBILITY.—As
14 soon as possible after the date on which a peti-
15 tion is filed under paragraph (2), but in any
16 event not later than sixty days after that date,
17 the Secretary shall determine whether the peti-
18 tioning group meets the requirements of para-
19 graph (1) and shall issue a certification of eligi-
20 bility for services under title I of this Act and
21 to apply for retraining income support in ac-
22 cordance with section 202(b) of this Act. Each
23 certification shall specify the date on which the
24 layoffs began or threatened to begin.

1 (B) WORKERS COVERED BY CERTIFI-
2 CATION.—A certification under this section
3 shall not apply to any worker whose last layoff
4 from the firm or appropriate subdivision of the
5 firm before his application under paragraph (2)
6 occurred more than one year before the date of
7 the petition on which such certification was
8 granted.

9 (C) PUBLICATION OF DETERMINATION IN
10 FEDERAL REGISTER.—Upon reaching a deter-
11 mination on a petition, the Secretary shall
12 promptly publish a summary of the determina-
13 tion in the Federal Register together with the
14 reasons for making such determinations.

15 (D) TERMINATION OF CERTIFICATION.—
16 Whenever the Secretary determines, with re-
17 spect to any certification of eligibility of the
18 workers of a firm or subdivision of the firm,
19 that layoffs from such firm or subdivision are
20 no longer attributable to the conditions speci-
21 fied in paragraph (1), the Secretary shall termi-
22 nate such certification and promptly have notice
23 of such termination published in the Federal
24 Register together with the reasons for making
25 such determination. Such termination shall

1 apply only with respect to layoffs occurring
2 after the termination date specified by the Sec-
3 retary.

4 (4) SUBPOENA POWER.—

5 (A) SUBPOENA BY SECRETARY.—The Sec-
6 retary may require by subpoena the attendance
7 of witnesses and the production of evidence nec-
8 essary for him to make a determination under
9 the provisions of this section.

10 (B) COURT ORDER.—If a person refuses to
11 obey a subpoena issued under subparagraph
12 (A), a United States district court within the
13 jurisdiction of which the relevant proceeding
14 under this section conducted may, upon petition
15 by the Secretary, issue an order requiring com-
16 pliance with such subpoena.

17 (c) EFFECTIVE DATE.—Petitions for certification
18 under this section may be filed on or after July 1, 1995,
19 but not later than July 1, 1999.

1 **PART E—UNEMPLOYMENT COMPENSATION**

2 **FLEXIBILITY**

3 **SEC. 251. TREATMENT OF SHORT-TIME COMPENSATION**

4 **PROGRAMS.**

5 (a) GENERAL RULE.—Section 3306 of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 thereof the following new subsection:

8 “(u) SHORT-TIME COMPENSATION PROGRAM.—For
9 purposes of this chapter, the term ‘short-time compensa-
10 tion program’ means a program under which—

11 “(1) the participation of an employer is vol-
12 untary;

13 “(2) an employer reduces the number of hours
14 worked by employees in lieu of temporary layoffs;

15 “(3) such employees whose workweeks have
16 been reduced by at least 10 percent are eligible for
17 unemployment compensation;

18 “(4) the amount of unemployment compensa-
19 tion payable to any such employee is a pro rata por-
20 tion of the unemployment compensation which would
21 be payable to the employee if such employee were to-
22 tally unemployed;

23 “(5) such employees are not required to meet
24 the availability for work or work search test require-
25 ments while collecting short-time compensation bene-

1 fits, but are required to be available for their normal
2 workweek;

3 “(6) eligible employees may participate in an
4 employer-sponsored training program to enhance
5 jobs skills if such program has been approved by the
6 State agency;

7 “(7) the State agency may require an employer
8 to continue to provide health benefits, and retire-
9 ment benefits under a defined benefit pension plan
10 (as defined in section 3(35) of the Employee Retire-
11 ment Income Security Act of 1974), to any employee
12 whose workweek is reduced pursuant to the program
13 as though the workweek of such employee had not
14 been reduced;

15 “(8) the State agency may require an employer
16 (or an employers’ association which is party to a col-
17 lective bargaining agreement) to submit a written
18 plan describing the manner in which the require-
19 ments of this subsection will be implemented and
20 containing such other information as the Secretary
21 of Labor determines is appropriate; and

22 “(9) the program meets such other require-
23 ments as the Secretary of Labor determines are ap-
24 propriate.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Subparagraph (E) of section 3304(a)(4) of
2 such Code is amended to read as follows:

3 “(E) amounts may be withdrawn for the
4 payment of short-time compensation under a
5 short-time compensation program (as defined
6 under section 3306(u));”.

7 (2) Paragraph (4) of section 3306(f) of such
8 Code is amended to read as follows:

9 “(4) amounts may be withdrawn for the pay-
10 ment of short-time compensation under a short-time
11 compensation program (as defined under subsection
12 (u));”.

13 (3) Section 303(a)(5) of the Social Security Act
14 is amended by striking “the payment of short-time
15 compensation under a plan approved by the Sec-
16 retary of Labor” and inserting “the payment of
17 short-time compensation under a short-time com-
18 pensation program (as defined in section 3306(u) of
19 the Internal Revenue Code of 1986).”.

20 **SEC. 252. TREATMENT OF REEMPLOYMENT BONUS PRO-**
21 **GRAMS.**

22 (a) GENERAL RULE.—Section 3306 of the Internal
23 Revenue Code of 1986 is amended by adding at the end
24 thereof the following new subsection:

1 “(v) REEMPLOYMENT BONUS PROGRAM.—For pur-
2 poses of this chapter, the term ‘reemployment bonus pro-
3 gram’ means a program under which—

4 “(1) a reemployment bonus is paid in a lump
5 sum to individuals who meet the requirements of
6 paragraph (4) as an incentive to rapid reemploy-
7 ment;

8 “(2) the reemployment bonus payable to indi-
9 viduals pursuant to paragraph (1) is in an amount
10 not in excess of four times the weekly amount of
11 regular unemployment compensation payable to such
12 individuals;

13 “(3) an amount equal to the amount of the re-
14 employment bonuses paid pursuant to paragraph (1)
15 is charged against the amount that may be paid to
16 such individuals for regular unemployment com-
17 pensation under State law;

18 “(4) individuals may receive the reemployment
19 bonus described in paragraph (1) if such individ-
20 uals—

21 “(A) were eligible to receive unemployment
22 compensation under the State law for the week
23 preceding the commencement of full-time em-
24 ployment obtained in accordance with subpara-
25 graph (C);

1 “(B) were identified pursuant to a State
2 profiling system (established in accordance with
3 section 303(j) of the Social Security Act) as in-
4 dividuals likely to exhaust regular unemploy-
5 ment compensation;

6 “(C) obtained full-time employment within
7 a period of time specified under State law, but
8 not in excess of twelve weeks from the date of
9 the filing of the initial claim;

10 “(D) are employed by employers other
11 than the employers by whom such individuals
12 were employed immediately prior to receiving
13 unemployment compensation under the State
14 law or during the base period;

15 “(E) retained full-time employment for a
16 period not less than four months after obtain-
17 ing employment in accordance with subpara-
18 graph (C);

19 “(5) the program does not result in any cost to
20 the Unemployment Trust Fund (established by sec-
21 tion 904(a) of the Social Security Act) in excess of
22 the cost that would be incurred by such State and
23 charged to such Fund if the State had not partici-
24 pated in such program;

1 “(6) a State desiring to conduct such program
2 submits a plan describing the manner in which the
3 requirements of this subsection will be implemented
4 and the Secretary of Labor approves such plan; and

5 “(7) the program meets such other require-
6 ments as the Secretary of Labor determines to be
7 appropriate.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Paragraph (4) of section 3304(a) of such
10 Code is amended by adding at the end thereof the
11 following new subparagraph:

12 “(G) amounts may be withdrawn for the
13 payment of reemployment bonuses under a re-
14 employment bonus program (as defined in sec-
15 tion 3306(v));”.

16 (2) Subsection (f) of section 3306 of such Code
17 is amended by adding at the end thereof the follow-
18 ing new paragraph:

19 “(6) amounts may be withdrawn for the pay-
20 ment of reemployment bonuses under a reemploy-
21 ment bonus program (as defined in subsection
22 (v));”.

23 (3) Section 303(a)(5) of the Social Security Act
24 is amended by adding at the end thereof: “: *Pro-*
25 *vided further,* That amounts may be withdrawn for

1 the payment of reemployment bonuses under a reem-
2 ployment bonus program (as defined in section
3 3306(v) of the Internal Revenue Code of 1986);
4 and”.

5 **SEC. 253. EXTENSION OF SELF-EMPLOYMENT ASSISTANCE**
6 **PROGRAM.**

7 (a) EXTENSION OF PROGRAM.—Paragraph (2) of
8 Section 507(e) of the North American Free Trade Agree-
9 ment Implementation Act is hereby repealed.

10 (b) CONFORMING AMENDMENTS.—Subsection (e) of
11 section 507 of such Act is further amended by—

12 (1) amending the heading after the subsection
13 designation to read “EFFECTIVE DATE.—”, and

14 (2) striking “(1) EFFECTIVE DATE.—”.

15 **SEC. 254. EFFECTIVE DATE.**

16 This part, and the amendments made by this part,
17 shall take effect on the date of enactment of this Act.

18 **TITLE III—ONE-STOP CAREER CENTER**
19 **SYSTEM**

20 **SEC. 301. STATEMENT OF PURPOSE.**

21 It is the purpose of this title to—

22 (1) establish a national program of grants and
23 waivers of Federal statutory and regulatory require-
24 ments to provide the States with the opportunity, on

1 a voluntary basis, to develop and implement net-
2 works of one-stop career centers;

3 (2) provide seed money to encourage the devel-
4 opment of a flexible, nationwide system of one-stop
5 career centers;

6 (3) promote universal access, by individuals and
7 employers, to a comprehensive menu of quality em-
8 ployment, education and training information and
9 services;

10 (4) encourage a customer-centered approach to
11 the provision of services, including features to en-
12 hance customer choice and ensure that the satisfac-
13 tion of individuals with services received is a primary
14 consideration in the administration of the program;

15 (5) establish a governance structure composed
16 of State, local and Federal partners to ensure com-
17 mon goals, effective planning, service coordination
18 and oversight of statewide one-stop career center
19 networks; and

20 (6) provide the States and local areas with in-
21 creased flexibility in the administration of employ-
22 ment and training programs in exchange for greater
23 accountability for outcomes.

1 **PART A—COMPONENTS OF VOLUNTARY ONE-**
2 **STOP CAREER CENTER SYSTEM**

3 **SEC. 311. GENERAL REQUIREMENTS.**

4 For purposes of receiving a grant or waiver under
5 this title (except as provided in section 333(b)(1)(A)), a
6 one-stop career center system shall include—

7 (1) the establishment and operation of a
8 workforce investment board in accordance with sec-
9 tion 312;

10 (2) the establishment of one-stop career centers
11 in accordance with the procedures described in sec-
12 tion 313;

13 (3) the provision of services through the one-
14 stop career centers in accordance with section 314;

15 (4) the participation of Federal programs in ac-
16 cordance with section 315;

17 (5) agreements concerning the operation of the
18 one-stop career centers in accordance with section
19 316;

20 (6) quality assurance systems in accordance
21 with section 317; and

22 (7) the establishment and operation of a State
23 Human Resource Investment Council in accordance
24 with section 318.

25 **SEC. 312. WORKFORCE INVESTMENT BOARDS.**

26 (a) DESIGNATION OF ONE-STOP SERVICE AREA.—

1 (1) The Governor shall, after consultation with
2 the State Human Resource Investment Council, des-
3 ignate one-stop service areas within the State.

4 (2) The one-stop service areas designated pur-
5 suant to paragraph (1) shall be—

6 (A) the geographic boundaries of the labor
7 market areas within the State, except that no
8 service delivery area or substate area may be
9 divided among two or more areas;

10 (B) the substate areas or consortium of
11 such areas; or

12 (C) the service delivery areas or consor-
13 tium of such areas.

14 (3) the Governor may not redesignate one-stop
15 service areas more frequently than once every four
16 years.

17 (b) ESTABLISHMENT OF BOARDS.—

18 (1) IN GENERAL.—For each one-stop service
19 area designated under subsection (a), the local elect-
20 ed officials from such area shall establish a
21 workforce investment board that meets the require-
22 ments of this subsection.

23 (2) COMPOSITION.—Each workforce investment
24 board shall consist of—

1 (A) representatives of private sector em-
2 ployers, who shall constitute a majority of the
3 board and who shall be owners of business con-
4 cerns, chief executives or chief operating offi-
5 cers of businesses, or the chief manager of a
6 plant or subdivision of a firm;

7 (B) representatives of organized labor and
8 community-based organizations, who shall con-
9 stitute not less than 25 percent of the member-
10 ship of the board and who shall be officers of
11 such organizations;

12 (C) representatives of educational institu-
13 tions;

14 (D) appropriate community leaders, such
15 as leaders of economic development agencies,
16 human service agencies and institutions, veter-
17 ans organizations, and entities providing job
18 training; and

19 (E) a local elected official, who shall be a
20 nonvoting member.

21 (3) NOMINATIONS.—

22 (A) EMPLOYER REPRESENTATIVES.—(i)
23 The representatives of employers under para-
24 graph (2)(A) shall be selected from among indi-
25 viduals nominated by general purpose business

1 organizations after consulting with, and receiv-
2 ing recommendations from, other business orga-
3 nizations in the one-stop service area.

4 (ii) For the purposes of this subparagraph,
5 the term “general purpose business organiza-
6 tions” means organizations which admit to
7 membership any for-profit business operating
8 within the one-stop service area.

9 (B) LABOR REPRESENTATIVES.—The rep-
10 resentatives of organized labor under paragraph
11 (2)(B) shall be selected from individuals rec-
12 ommended by recognized State and local labor
13 federations. If the State or local labor federa-
14 tion fails to nominate a sufficient number of in-
15 dividuals to be appointed for such category, in-
16 dividual workers may be included on the board
17 as labor representatives.

18 (C) ELECTED OFFICIAL.—In any case in
19 which there are two or more units of general
20 local government in the one-stop service area,
21 the local elected officials of such units shall de-
22 termine which official shall be appointed to the
23 board.

24 (D) OTHER MEMBERS.—The members of
25 the board appointed to represent community-

1 based organizations under paragraph (2)(B),
2 educational institutions under paragraph
3 (2)(C), and the community leaders appointed
4 under paragraph (2)(D) shall be selected from
5 individuals recommended by interested organi-
6 zations.

7 (4) APPOINTMENT PROCESS.—(A)(i) In any
8 case in which there is only one unit of general local
9 government within the one-stop service area, the
10 chief elected official of that unit shall appoint mem-
11 bers to the board from the individuals nominated or
12 recommended under paragraph (3).

13 (ii) In any case in which there are two or more
14 such units of general local government in the one-
15 stop service area, the chief elected officials of such
16 units shall appoint members to the board from the
17 individuals so nominated or recommended in accord-
18 ance with an agreement entered into by such units
19 of general local government. In the absence of such
20 an agreement, the appointments shall be made by
21 the Governor from the individuals so nominated or
22 recommended.

23 (B) The number of members of the board shall
24 be initially determined—

1 (i) by the chief elected official in the case
2 described in subparagraph (A)(i),

3 (ii) by the chief elected officials in accord-
4 ance with the agreement in the case described
5 in subparagraph (A)(ii), or

6 (iii) by the Governor in the absence of such
7 agreement.

8 Thereafter, the number of members of the board
9 shall be determined by the board.

10 (C) Members shall be appointed for fixed and
11 staggered terms and may serve until their successors
12 are appointed. Any vacancy in the membership of
13 the board shall be filled in the same manner as the
14 original appointment. Any member of the board may
15 be removed for cause in accordance with procedures
16 established by the board.

17 (5) CHAIRPERSON.—Each workforce investment
18 board shall elect a chairperson, by a majority vote
19 of the members of the board, from among members
20 of the board who are not the local elected official or
21 heads of public agencies. The term of the chair-
22 person shall be determined by the board.

23 (6) STAFF.—The chairperson of each workforce
24 investment board shall appoint staff, who are not
25 concurrently on the staff of any participating pro-

1 gram, to assist such board in carrying out the func-
2 tions prescribed in this section. Such staff may in-
3 clude an executive director.

4 (7) CONFLICT OF INTEREST.—No member of a
5 workforce investment board shall cast a vote on the
6 provision of services by that member (or any organi-
7 zation which that member directly represents) or
8 vote on any matter which would provide direct finan-
9 cial benefit to that member.

10 (8) PRIVATE INDUSTRY COUNCILS.—A private
11 industry council may become a workforce investment
12 board if the local elected official or officials deter-
13 mine such council is appropriate and such council—

14 (A) meets the requirements of this sub-
15 section, or

16 (B) is reconstituted to meet the require-
17 ments of this subsection.

18 (9) STATE HUMAN RESOURCE INVESTMENT
19 COUNCIL.—In any case in which the one-stop service
20 area is a State, the State human resource invest-
21 ment council or a portion of such council may be re-
22 constituted to meet the requirements of this sub-
23 section.

24 (10) CERTIFICATION.—The Governor shall cer-
25 tify a workforce investment board if the Governor

1 determines that its composition and appointments
2 are consistent with the provisions of this subsection.
3 Such certification shall be made or denied within
4 thirty days after the date on which the list of mem-
5 bers and necessary supporting documentation are
6 submitted to the Governor. When the Governor cer-
7 tifies the board, it shall be convened within thirty
8 days by the official or officials who made the ap-
9 pointments under paragraph (4).

10 (c) FUNCTIONS OF BOARD.—

11 (1) STRATEGIC PLANNING.—Each workforce in-
12 vestment board shall develop a strategic plan and
13 provide policy guidance with respect to the workforce
14 development programs that are administered in the
15 one-stop service area. Such strategic plan shall be
16 consistent with the statewide strategic plan devel-
17 oped by the State human resource investment coun-
18 cil pursuant to section 318 and shall include:

19 (A) measurable objectives for improving
20 the quality and effectiveness of workforce prep-
21 aration, development and training in the one-
22 stop service area; and

23 (B) methods for coordinating the
24 workforce development programs conducted in
25 the one-stop service area to enhance the deliv-

1 ery of services, including methods to maximize
2 the coverage of such workforce and appropriate
3 population subgroups, and ensure equitable ac-
4 cess to services by such subgroups.

5 (2) IDENTIFICATION OF OCCUPATIONS IN DE-
6 MAND AND TRAINING NEEDS.—In carrying out this
7 subsection, the workforce investment board shall uti-
8 lize available labor market information and other ap-
9 propriate methods in order to identify the jobs cur-
10 rently available, the occupations currently in de-
11 mand, and the occupations likely to be in demand in
12 the future in the one-stop service area; the skill re-
13 quirements relating to such jobs and occupations;
14 and education and training services in the one-stop
15 service area that are available to assist individuals in
16 acquiring such skills. Such information shall be used
17 in developing the goals of, and activities to be pro-
18 vided by, the workforce development programs in the
19 labor market area and disseminated to the public
20 through the one-stop career centers established in
21 such area.

22 (3) BUDGETS.—The workforce investment
23 board shall review and approve the budgets of the
24 participating programs described in subparagraphs
25 (A)–(E) of section 315(a), and the budgets for the

1 one-stop career centers pursuant to section 316(c),
2 and review and provide recommendations regarding
3 the budgets of other participating programs de-
4 scribed in section 315(b) to encourage coordination
5 and enhance the delivery of services.

6 (4) ASSUMPTION OF FUNCTIONS.—

7 (A) IN GENERAL.—The workforce invest-
8 ment board shall assume the functions of the
9 private industry council described in section
10 103 of the Job Training Partnership Act and of
11 the Job Service Employer Committees.

12 (B) LIMITATION.—The workforce invest-
13 ment board shall not be the administrative en-
14 tity for programs under title II of the Job
15 Training Partnership Act and shall not operate
16 any other programs.

17 (5) OVERSIGHT.—The workforce investment
18 board shall conduct oversight of the implementation
19 of the strategic plan and the overall performance of
20 the participating programs described in section 315.

21 (6) CHARTERING OF CENTERS.—Each
22 workforce investment board shall administer the pro-
23 cedures for the chartering of one-stop career centers
24 described in section 314(c).

1 **SEC. 313. ESTABLISHMENT OF ONE-STOP CAREER CEN-**
2 **TERS.**

3 (a) IN GENERAL.—The Governor and local elected of-
4 ficial or officials shall jointly select either the option de-
5 scribed in subsection (b) or the option described in sub-
6 section (c) as the method for establishing one-stop career
7 centers for each one-stop service area.

8 (b) CONSORTIUM OPTION.—

9 (1) CONSORTIUM MEMBERS.—One-stop career
10 centers in the one-stop service area shall be adminis-
11 tered by a consortium that consists of—

12 (A) the Employment Service;

13 (B) the substate grantee or grantees for
14 title I of this Act;

15 (C) the administrative entity or entities for
16 title II of the Job Training Partnership Act;

17 (D) the State agency charged with the ad-
18 ministration of the State unemployment com-
19 pensation law, unless such agency chooses not
20 to participate; and

21 (E) one or more additional entities that
22 shall be—

23 (i) any unit of government,

24 (ii) any public or private provider of
25 reemployment, education and training or
26 social services, or

1 (iii) a consortium of the entities de-
2 scribed in clauses (i) and (ii).

3 (2) ESTABLISHMENT CRITERIA.—In order to be
4 designated to operate the one-stop career center sys-
5 tem, the consortium established in accordance with
6 paragraph (1) shall demonstrate to the satisfaction
7 of the workforce investment board the ability of such
8 consortium to—

9 (A) meet the criteria described in clauses
10 (i)–(vi) of subsection (c)(6)(B),

11 (B) provide for customer choice in obtain-
12 ing the basic services described in section
13 314(a) by—

14 (i) operating two or more centers, and

15 (ii) administering budget resources to
16 reflect, at least in part, the extent to which
17 each center is used by the public, and

18 (C) provide equitable access to centers by
19 segments of the population within the one-stop
20 service area.

21 (3) INTEGRATION OF PROGRAM ADMINISTRA-
22 TION.—Consortia established in accordance with
23 paragraph (1) shall, in addition to meeting the es-
24 tablishment criteria described in paragraph (2),
25 identify to the workforce investment board proce-

1 dures that would be used to promote the integration
2 of the administration of the programs conducted by
3 the members of such consortium, such as procedures
4 to provide for the cross-training of staff, promote
5 the collocation of facilities, and encourage the use of
6 common forms and practices.

7 (4) RENEWAL OF CHARTER.—The Governor
8 and local elected official or officials, in consultation
9 with the workforce investment board, shall review
10 the performance of the consortium and once every
11 four years determine whether to renew the charter
12 of the consortium.

13 (c) MULTIPLE INDEPENDENT OPERATOR OPTION.—

14 (1) MULTIPLE INDEPENDENT OPERATORS.—
15 The workforce investment board shall select, in ac-
16 cordance with the requirements of this subsection,
17 two or more entities to operate one-stop career cen-
18 ters in the one-stop service area.

19 (2) ELIGIBLE ENTITIES.—Any entity or consor-
20 tium of entities located in the one-stop service area
21 may apply, in accordance with the procedures de-
22 scribed in paragraph (4), to be selected as a one-
23 stop career center operator. Such entities may in-
24 clude—

25 (A) Employment Service offices,

1 (B) career center operators under title I of
2 this Act,

3 (C) service delivery area grant recipients or
4 administrative entities under the Job Training
5 Partnership Act,

6 (D) community colleges and area voca-
7 tional schools,

8 (E) community-based and other private
9 for-profit and nonprofit organizations, and

10 (F) other interested private and public or-
11 ganizations and entities.

12 (3) SPECIAL RULE.—If the Employment Serv-
13 ice, or a consortium including the Employment Serv-
14 ice, applies to be selected as one-stop career center
15 operator and such Employment Service or consor-
16 tium meets the selection criteria developed pursuant
17 to paragraph (6), the workforce investment board
18 shall select such Employment Service or consortium
19 to be one of the operators.

20 (4) PUBLICATION OF PROCEDURES.—The
21 workforce investment board, after consultation with
22 the Governor and local elected officials, shall pub-
23 lish, in a manner that is generally available, infor-
24 mation to notify organizations and individuals in the
25 one-stop service area of—

1 (A) the estimated number of one-stop ca-
2 reer centers needed and proposed number of op-
3 erators to be selected in the one-stop service
4 area, as determined in accordance with para-
5 graph (5);

6 (B) the application procedure for any en-
7 tity or consortium of entities to be selected as
8 such center operator, including when and where
9 such application is to be submitted and what in-
10 formation such application is to contain;

11 (C) the criteria for selection that will be
12 used, as determined in accordance with para-
13 graph (6); and

14 (D) other information the workforce in-
15 vestment board considers relevant to the selec-
16 tion and administration of such center opera-
17 tors.

18 (5) NUMBER OF ONE-STOP CENTER OPERA-
19 TORS.—The workforce investment board shall deter-
20 mine the number of one-stop career center operators
21 to be selected in the one-stop service area. In deter-
22 mining the appropriate number of such operators,
23 which shall not be less than two, the workforce in-
24 vestment board shall take into account—

25 (A) the size of the labor market;

1 (B) the number of customers who will po-
2 tentially use the one-stop career centers, includ-
3 ing unemployed and discouraged workers, em-
4 ployed workers, economically disadvantaged in-
5 dividuals, students, out-of-school youth, older
6 workers, veterans, and employers;

7 (C) the number and capabilities of poten-
8 tial operators; and

9 (D) equitable access to centers by seg-
10 ments of the population within the one-stop
11 service area.

12 (6) SELECTION CRITERIA.—

13 (A) OBJECTIVE FACTORS.—The workforce
14 investment board, consistent with guidelines is-
15 sued by the Secretary, shall use objective cri-
16 teria and performance measures in assessing
17 applications submitted for selection as a one-
18 stop career center operator.

19 (B) CONTENTS.—An applicant may not be
20 selected as a one-stop career center operator
21 under this title unless such applicant dem-
22 onstrates to the satisfaction of the workforce in-
23 vestment board the ability to establish a one-
24 stop career center or centers that would—

1 (i) provide the services described in
2 section 314;

3 (ii) utilize automated information sys-
4 tems to facilitate the exchange of informa-
5 tion among career centers;

6 (iii) meet the performance standards
7 prescribed pursuant to section 317;

8 (iv) ensure effective fiscal and pro-
9 gram management;

10 (v) administer the process of referring
11 participants to education and training
12 services in an objective and equitable man-
13 ner; and

14 (vi) provide services on a nondiscrim-
15 inatory basis to the population in the one-
16 stop service area.

17 (7) SINGLE OPERATOR EXCEPTION.—Notwith-
18 standing the number of operators to be selected pur-
19 suant to paragraph (5), if only one applicant meets
20 the selection criteria developed pursuant to para-
21 graph (6), the workforce investment board may se-
22 lect the single applicant to operate the one-stop ca-
23 reer center system.

24 (8) PERIOD OF SELECTION.—The workforce in-
25 vestment board shall select one-stop career center

1 operators pursuant to the requirements of his sub-
2 section once every four years.

3 (d) CHARTERS.—The workforce investment board
4 shall issue a charter to each one-stop career center des-
5 ignated pursuant to this section. Such charter shall—

6 (1) identify the number and location of the one-
7 stop career centers in the one-stop service area;

8 (2) identify the entity or entities operating the
9 one-stop career centers;

10 (3) provide for the display of the one-stop ca-
11 reer center national logo developed pursuant to sec-
12 tion 343(c);

13 (4) include such other conditions as the
14 workforce investment board determines is appro-
15 priate.

16 (e) ENFORCEMENT OF HONEST BROKER FUNC-
17 TIONS.—The workforce investment board shall review, not
18 less than once each program year, the education and train-
19 ing referral practices of any one-stop career center that
20 is operated by an entity that concurrently provides edu-
21 cation and training services to participants under this
22 title. If the workforce investment board determines that
23 such center has engaged in a pattern of inappropriate re-
24 ferrals to the education and training services provided by
25 the operator of such center, the Board may terminate the

1 charter to operate such center or may require such opera-
2 tor to cease providing education and training services to
3 participants under this title as a condition for continuing
4 to operate such center.

5 **SEC. 314. SERVICES TO BE PROVIDED THROUGH ONE-STOP**
6 **CAREER CENTERS.**

7 (A) BASIC SERVICES.—Each one-stop career center
8 established pursuant to this title shall make available to
9 the public free of charge the following basic services:

10 (1) Outreach to make individuals aware of, and
11 encourage the use of, employment and training serv-
12 ices, including efforts to expand awareness of train-
13 ing and placement opportunities for limited-English
14 proficient individuals, disadvantaged youth and
15 adults, and individuals with disabilities.

16 (2) Intake and orientation to the information
17 and services available through such center.

18 (3) Assistance in filing an initial claim for un-
19 employment compensation.

20 (4) Preliminary assessment of skill levels (in-
21 cluding appropriate testing) and service needs of
22 such individuals, which may include such factors as
23 basic skills, occupational skills, prior work experi-
24 ence, employability, interests, aptitudes, and sup-
25 portive service needs.

1 (5) Information relating to local, regional and
2 national labor markets, including—

3 (A) job vacancy listings in such markets,
4 and

5 (B) information relating to local occupa-
6 tions in demand and the earnings and skill re-
7 quirements for such occupations;

8 (6) job search assistance, including resume and
9 interview preparation, and workshops;

10 (7) job referral and job placement assistance;

11 (8) information relating to job training and
12 education programs (including student financial as-
13 sistance), including the eligibility requirements of
14 and services provided by such programs, the avail-
15 ability and quality of such programs, and referrals
16 to such programs where appropriate;

17 (9) information collected pursuant to the per-
18 formance standards and customer feedback require-
19 ments of section 317;

20 (10) assistance in evaluating whether such indi-
21 viduals are likely to be eligible for any program par-
22 ticipating in the career center;

23 (11) information relating to programs and pro-
24 viders of dependent care and other supportive serv-
25 ices available in the local area;

1 (12) soliciting and accepting job orders submit-
2 ted by employers in the one-stop service area, and
3 screening and referring applicants in accordance
4 with such orders.

5 (b) INTENSIVE SERVICES.—Each one-stop career
6 center established pursuant to this title shall make avail-
7 able to participants in the program described under title
8 I of this Act who are unable to obtain employment through
9 the basic services described in subsection (a), and may
10 make available to other individuals, in accordance with the
11 written agreement developed pursuant to section 316, the
12 following intensive services:

13 (1) Comprehensive and specialized assessments
14 of the skill levels and service needs of individuals,
15 which may include—

16 (A) diagnostic testing and other assess-
17 ment tools; and

18 (B) in-depth interviewing and evaluation to
19 identify employment barriers and appropriate
20 employment goals.

21 (2) The development of an individual reemploy-
22 ment plan, which shall identify the employment goal
23 (including in appropriate circumstances, nontradi-
24 tional employment), appropriate achievement objec-

1 tives, and the appropriate combination of services
2 for a participant to achieve the employment goal.

3 (3) Group counseling, including peer counseling,
4 which may be available to individuals jointly with
5 their immediate families, and which may include
6 counseling relating to stress management and finan-
7 cial management and which shall be a basic service
8 for participants in the program established under
9 title I of this Act.

10 (4) Individualized counseling and career plan-
11 ning, including peer counseling and counseling and
12 planning relating to nontraditional employment op-
13 portunities.

14 (5) Case management for individuals receiving
15 education, training and supportive services, includ-
16 ing periodically reviewing the individual's progress
17 toward achieving his or her employment goal.

18 (6) Job development.

19 (7) Out-of-area job search allowances.

20 (8) Relocation allowances.

21 (9) Assistance in the selection of education and
22 training providers.

23 (10) Assistance in obtaining income support for
24 which the individual is eligible, to enable such indi-
25 vidual to participate in training.

1 (11) Supportive services.

2 (12) Followup counseling for individuals placed
3 in training or employment.

4 (c) SPECIALIZED EMPLOYER SERVICES.—Each one-
5 stop career center established pursuant to this title may
6 provide to employers the following services:

7 (1) Customized screening and referral of indi-
8 viduals for employment.

9 (2) Customized assessment of skill levels of the
10 employer's current employees.

11 (3) Analysis of the employer's workforce skill
12 needs.

13 (4) Other specialized employment and training
14 services.

15 (d) ADDITIONAL SERVICES.—Each one-stop career
16 center established pursuant to this title may make avail-
17 able such additional services as are specified in the written
18 agreement under section 316.

19 (e) FEES.—

20 (1) IN GENERAL.—(A) Except as provided in
21 subparagraph (B), each one-stop career center may
22 charge fees for the services described in subsections
23 (b), (c) and (d) if such fees are approved by the
24 workforce investment board.

1 (B) No fees may be charged to an individual for
2 any service which such individual is eligible to re-
3 ceive free of charge under any participating program
4 described in section 315 unless there are no funds
5 available under such program to provide such serv-
6 ices.

7 (2) PROGRAM INCOME.—All program income re-
8 ceived by a one-stop career center that is operated
9 by a public or private non-profit entity from the fees
10 collected pursuant to paragraph (1) shall be used to
11 expand or enhance the services provided by such
12 center.

13 **SEC. 315. PARTICIPATING PROGRAMS.**

14 (A) MANDATORY PROGRAMS.—

15 (1) IN GENERAL.—Subject to the provisions of
16 paragraph (2), the following programs shall make
17 available to participants through the one-stop career
18 centers the services described in section 314(a) that
19 are applicable to such program and shall participate
20 in the operation of such centers as a party to the
21 agreement described in section 316:

22 (A) Programs authorized under title I of
23 this Act.

24 (B) Programs authorized under the Wag-
25 ner-Peyser Act.

1 (C) Programs authorized under chapter 41
2 of title 38, United States Code.

3 (D) Programs authorized under title II of
4 the Job Training Partnership Act.

5 (E) Programs authorized under title V of
6 the Older Americans Act.

7 (F) Programs authorized under Federal
8 and State unemployment compensation laws.

9 (2) ADDITIONAL CONDITIONS.—

10 (A) The programs authorized under title I
11 of this Act shall provide the services described
12 in subsections (a) and (b) of section 314
13 through the one-stop career centers, which shall
14 replace the career centers established pursuant
15 to section 118 of this Act.

16 (B) The program authorized under the
17 Wagner-Peyser Act shall provide the applicable
18 services described in subsections (a) and (b) of
19 section 314 only through the one-stop career
20 centers.

21 (C) The program authorized under chapter
22 41 of title 38, United States Code, shall make
23 available through the one-stop career centers
24 the applicable services described in subsections
25 (a) and (b) of section 314, and may, in addi-

1 tion, provide such services through other loca-
2 tions.

3 (D) The programs described under sub-
4 paragraphs (C), (D), (E), and (F) of paragraph
5 (1) may, in addition to providing applicable
6 services under section 314(a) through the one-
7 stop career centers, provide such services
8 through other locations and service providers.

9 (E) The programs described in paragraph
10 (1) may provide additional services through the
11 one-stop career centers in accordance with the
12 written agreement described in section 316.

13 (b) VOLUNTARY.—In addition to the programs de-
14 scribed in subsection (a), other human resource programs
15 may provide services through the one-stop career centers
16 and participate in the operation of such centers as a party
17 to the agreement described in section 316 if the workforce
18 investment board, local elected official or officials, the
19 Governor, and other participating programs approve such
20 participation. Such programs may include programs au-
21 thorized under—

22 (1) part F of title IV of the Social Security Act
23 (the Job Opportunities and Basic Skills (JOBS)
24 program);

1 (2) section 6(d)(4) of the Food Stamp Act of
2 1977 (the Food Stamp Employment and Training
3 Program);

4 (3) part B of title IV of the Job Training Part-
5 nership Act (Job Corps);

6 (4) programs authorized under title IV-C of the
7 Job Training Partnership Act;

8 (5) the Carl D. Perkins Vocational and Applied
9 Technology Education Act;

10 (6) the Adult Education Act;

11 (7) the Vocational Rehabilitation Act; and

12 (8) the School-to-Work Opportunities Act.

13 **SEC. 316. OPERATING AGREEMENTS.**

14 (a) IN GENERAL.—The one-stop career center opera-
15 tors selected pursuant to section 313 shall enter into a
16 written agreement with the workforce investment board
17 and participating programs described in section 315 con-
18 cerning the operation of the one-stop career centers. Such
19 agreement shall be subject to the approval of the local
20 elected official and the Governor, who shall oversee the
21 development of such agreement, ensure that the agree-
22 ment meets the requirements of this section, and monitor
23 the implementation of such agreement.

24 (b) CONTENTS.—The written agreement required
25 under subsection (a) shall contain the following:

1 (1) The services to be provided by the centers,
2 consistent with section 314, and the extent to which
3 participating programs will provide services to pro-
4 gram participants through such centers, consistent
5 with section 315.

6 (2) Methods for referral of individuals by the
7 one-stop career centers to the appropriate services
8 and programs.

9 (3) The financial and nonfinancial contributions
10 to be made to the centers by each participating pro-
11 gram, which shall be based on factors including the
12 number of participants served by the centers from
13 each participating program and the quality of serv-
14 ices provided.

15 (4) The financial liability of the respective par-
16 ties relating to the funds contributed by the partici-
17 pating programs.

18 (5) The financial contributions to be made for
19 the administration of the workforce investment
20 board by each participating program.

21 (6) Methods of administration, including provi-
22 sions for monitoring and oversight of the centers
23 and of this agreement.

24 (7) A description of how services are to be pro-
25 vided by the centers, such as the methods and ap-

1 appropriate test instruments to be used to assess the
2 skill levels of individuals.

3 (8) The procedures to ensure the utilization of
4 a common local job bank.

5 (9) The procedures to be used to ensure compli-
6 ance with the statutory and regulatory requirements
7 of the participating programs.

8 (10) The duration of the agreement and the
9 procedures for amending the agreement during its
10 term.

11 (11) Such other provisions, consistent with the
12 requirements of this title, that the parties deem ap-
13 propriate.

14 (c) ONE-STOP CAREER CENTER AND BOARD BUDG-
15 ETS.—The parties to the written agreement described
16 under subsection (a) shall supplement the written agree-
17 ment by developing an annual budget for the one-stop ca-
18 reer centers and the workforce investment board. The
19 budget for the board shall be subject to the approval of
20 the local elected official. The budget for the career centers
21 shall be subject to approval of the local elected official and
22 the Governor.

23 **SEC. 317. QUALITY ASSURANCE SYSTEMS.**

24 (a) PERFORMANCE STANDARD.—

1 (1) IN GENERAL.—The Secretary, after con-
2 sultation with the Governors, workforce investment
3 boards, and one-stop career center operators, shall
4 prescribe performance standards relating separately
5 to the one-stop career centers and the workforce in-
6 vestment boards established under this title. Such
7 standards shall be based on factors the Secretary de-
8 termines are appropriate, which may include—

9 (A) in the case of one-stop career cen-
10 ters—

11 (i) placement, retention and earnings
12 of participants in unsubsidized employ-
13 ment, including—

14 (I) wages and benefits at a speci-
15 fied period after termination from the
16 program,

17 (II) full-time and part-time em-
18 ployment, and

19 (III) comparability of wages at a
20 specified period after termination
21 from the program with wages prior to
22 participation in the program;

23 (ii) the provision of services to hard-
24 to-serve populations, such as individuals
25 who are basic skills deficient, school drop-

1 outs, individuals with disabilities, older
2 workers with obsolete skills, economically
3 disadvantaged individuals, and others who
4 face serious barriers to employment;

5 (iii) acquisition of skills pursuant to a
6 skill standards and skill certification sys-
7 tem endorsed by the National Skill Stand-
8 ards Board established under the Goals
9 2000: Educate America Act;

10 (iv) satisfaction of participants with
11 services provided and the employment out-
12 comes;

13 (v) satisfaction of employers with job
14 performance of individuals placed; and

15 (vi) measures of the cost efficiency of
16 the one-stop career centers;

17 (B) in the case of the workforce invest-
18 ment boards—

19 (i) job openings received from employ-
20 ers, including the proportion of employers
21 in the one-stop service area that list jobs
22 with the one-stop career centers;

23 (ii) job openings filled through the
24 one-stop career centers; and

1 (iii) the overall performance of the ca-
2 reer centers in the one-stop service area.

3 (2) ADJUSTMENTS.—Each Governor shall,
4 within parameters established by the Secretary, pre-
5 scribe adjustments to the performance standards
6 prescribed under paragraph (1) for the one-stop ca-
7 reer centers and workforce investment boards estab-
8 lished in the State based on—

9 (A) specific economic, geographic and de-
10 mographic factors in the State and in one-stop
11 service areas within the State; and

12 (B) the characteristics of the population to
13 be served, including the demonstrated difficul-
14 ties in serving special populations.

15 (3) FAILURE TO MEET STANDARDS.—

16 (A) UNIFORM CRITERIA.—The Secretary
17 shall establish uniform criteria for determining
18 whether a one-stop career center or workforce
19 investment board fails to meet performance
20 standards under this section.

21 (B) TECHNICAL ASSISTANCE.—The Gov-
22 ernor shall provide technical assistance to one-
23 stop career centers and workforce investment
24 boards failing to meet performance standards

1 under the uniform criteria established under
2 paragraph (1).

3 (C) REPORT ON PERFORMANCE.—Each
4 Governor shall include in the report to the Sec-
5 retary the final performance standards and per-
6 formance for each one-stop career center and
7 workforce investment board within the State,
8 along with the technical assistance planned and
9 provided as required under subparagraph (B).

10 (D) REVOCATION OF CHARTER.—If a one-
11 stop career center continues to fail to meet such
12 performance standards for two consecutive pro-
13 gram years, the Governor shall notify the Sec-
14 retary and the one-stop career center of the
15 continued failure, and the workforce investment
16 board shall—

17 (i) in the case of a one-stop career
18 center selected pursuant to the multiple
19 independent operator option, terminate the
20 operating agreement and select another en-
21 tity as the one-stop career center consist-
22 ent with the procedures described in sec-
23 tion 313(b); and

24 (ii) in the case of a one-stop career
25 center operated under the consortium op-

1 tion, terminate the operating agreement to
2 operate such center and to select another
3 entity as a one-stop career center, consist-
4 ent with the procedures described in sec-
5 tion 313(b).

6 (E) CORRECTIVE ACTION FOR BOARDS.—If
7 a workforce investment board continues to fail
8 to meet such performance standards for two
9 consecutive program years, the Governor shall
10 notify the Secretary and the workforce invest-
11 ment board of the continued failure, and
12 shall—

- 13 (i) replace the members of such board,
- 14 (ii) direct the board to replace staff,
- 15 iii) direct the board to replace the
- 16 chairperson, or
- 17 (iv) take such other action as the Gov-
- 18 ernor determines is appropriate.

19 (F) APPEAL.—(i) A one-stop career center
20 operator that is the subject of a revocation
21 under subparagraph (D) or a workforce invest-
22 ment board that is subject to sanctions under
23 subparagraph (E) may, within thirty days after
24 receiving notice thereof and pursuant to criteria
25 established by the Secretary, appeal to the Gov-

1 error to rescind such action. The governor shall
2 issue a decision on the appeal within thirty days
3 of its receipt.

4 (ii) A one-stop career center operator or
5 workforce investment board that receives an ad-
6 verse decision under an appeal filed pursuant to
7 clause (i) may, within thirty days, appeal to the
8 Secretary. The Secretary shall issue a decision
9 on the appeal within thirty days of its receipt.

10 (b) CUSTOMER FEEDBACK.—

11 (1) METHODS.—Each workforce investment
12 board shall establish methods for obtaining, on a
13 regular basis, information from individuals and em-
14 ployers who have received services through a one-
15 stop career center regarding the effectiveness and
16 quality of such services. Such methods may include
17 the use of surveys, interviews, focus groups, and
18 other techniques.

19 (2) ANALYSIS AND DISSEMINATION.—Each
20 workforce investment board shall analyze the infor-
21 mation obtained pursuant to paragraph (1) on a reg-
22 ular basis and provide a summary of such informa-
23 tion accompanied by such analysis to the one-stop
24 career center for use in improving the quality of
25 services provided under this title.

1 **SEC. 318. STATE HUMAN RESOURCE INVESTMENT COUNCIL.**

2 (a) IN GENERAL.—Each State shall establish a State
3 human resource investment council that meets the require-
4 ments of title VII of the Job Training Partnership Act.
5 In addition to carrying out the functions required under
6 paragraphs (1)–(3) of section 701 of such Act, the Council
7 shall—

8 (1) identify the human investment needs in the
9 State and recommend to the Governor goals for
10 meeting such needs;

11 (2) recommend to the Governor goals for the
12 development and coordination of the human resource
13 system in the State;

14 (3) prepare and recommend to the Governor a
15 strategic plan to accomplish the goals developed pur-
16 suant to paragraphs (2) and (3); and

17 (4) monitor the implementation of and evaluate
18 the effectiveness of the strategic plan prepared pur-
19 suant to paragraph (3).

20 (b) ONE-STOP FUNCTION.—In addition to the func-
21 tions described in subsection (a), the council shall advise
22 the Governor with respect to all aspects of the develop-
23 ment and implementation of the one-stop career center
24 system authorized under this title, including—

25 (1) assessing the needs of the State with regard
26 to—

1 (A) current and projected demand for
2 workers by occupation;

3 (B) skill levels of the workforce and the
4 needs of business for a skilled workforce;

5 (C) economic development needs of the
6 State;

7 (D) the type and availability of workforce prep-
8 aration and development programs in the State;

9 (2) providing advice to the Governor on the des-
10 ignation of one-stop service areas within the State;

11 (3) developing measures of effectiveness for the
12 workforce investment boards;

13 (4) facilitating the provision through appro-
14 priate State agencies of grants and technical assist-
15 ance to workforce investment boards;

16 (5) developing a mechanism for waiving State
17 rules and provisions of law with respect to workforce
18 investment programs; and

19 (6) developing a strategy to collect and utilize
20 information on the effectiveness of workforce invest-
21 ment programs, and that of individual service pro-
22 viders, and to share such information with cus-
23 tomers of such programs.

1 **PART B—GRANTS AND WAIVERS TO PROMOTE**
2 **THE DEVELOPMENT AND IMPLEMENTATION**
3 **OF ONE-STOP CAREER CENTER SYSTEM**

4 **SEC. 331. STATE PLANNING AND DEVELOPMENT GRANTS.**

5 (a) PROGRAM AUTHORIZED.—The Secretary is au-
6 thorized to establish a program of competitive grants to
7 States to assist in the planning and development of a com-
8 prehensive Statewide network of one-stop career centers.

9 (b) APPLICATION.—

10 (1) IN GENERAL.—Any State desiring a grant
11 under this section shall submit an application to the
12 Secretary at such time, in such manner, and con-
13 taining such information as the Secretary may rea-
14 sonable require.

15 (2) CONTENTS OF APPLICATIONS.—The appli-
16 cation for a grant submitted pursuant to paragraph
17 (1) shall at a minimum include—

18 (A) a timetable and estimate of the
19 amount of funds needed to complete the plan-
20 ning and development necessary to implement a
21 Statewide system of one-stop career centers,
22 which includes the components described in
23 part A; and

24 (B) a description of the manner in which
25 the Governor, local elected officials, community
26 and business leaders, representatives of employ-

1 ees, representatives of voluntary organizations,
2 representatives of the programs described in
3 section 315, service providers and other inter-
4 ested organizations and individuals will work to-
5 gether in the planning and development of a
6 one-stop career center system.

7 (c) USE OF FUNDS.—Funds awarded under this sec-
8 tion may be used to carry out the following activities:

9 (1) Identifying and establishing an appropriate
10 State structure to administer the one-stop career
11 center network within the State.

12 (2) Identifying and establishing broad-based
13 partnerships among employers, labor, education,
14 State and local government, and community-based
15 organizations to participate in the design, develop-
16 ment, and administration of a one-stop career center
17 system.

18 (3) Developing a plan to establish a State
19 Human Resource Investment Council and local
20 workforce investment boards.

21 (4) Developing the process for chartering one-
22 stop career centers.

23 (5) Supporting local one-stop career center
24 planning and development activities to provide guid-

1 ance in the development of a one-stop career center
2 system.

3 (6) Initiating pilot programs for testing key
4 components of State program design, such a design-
5 ing and testing common intake forms for participat-
6 ing programs.

7 (7) Analyzing State and local labor markets
8 and the operation of the current labor exchange and
9 labor market intermediaries, to inform the design of
10 the new system.

11 (8) Analyzing current statutory and regulatory
12 impediments to the establishment of a one-stop ca-
13 reer center system, and preparing requests to waive
14 statutory or regulatory requirements.

15 (9) Preparing the plan required for submission
16 of an application for an Implementation Grant
17 under section 332.

18 (10) Other appropriate activities.

19 **SEC. 332. STATE IMPLEMENTATION GRANTS.**

20 (a) PROGRAM AUTHORIZED.—The Secretary is au-
21 thorized to establish a program of competitive grants to
22 States to assist in the implementation of a comprehensive
23 statewide system of one-stop career centers.

24 (b) APPLICATION.—

1 (1) IN GENERAL.—Any State desiring a grant
2 under this section shall, with the agreement of the
3 local elected officials from the one-stop service areas
4 identified in paragraph (3)(C) that will immediately
5 begin implementation of the one-stop career center
6 system, submit an application to the Secretary at
7 such time, in such manner, and containing such in-
8 formation as the Secretary may reasonably require.

9 (2) CONTENTS OF APPLICATION.—The applica-
10 tion for a grant submitted pursuant to paragraph
11 (1) shall, at a minimum, include—

12 (A) a plan for a comprehensive, statewide
13 one-stop career center system that includes the
14 components described in part A;

15 (B) a request in accordance with section
16 333, if any, for one or more waivers of statu-
17 tory or regulatory requirements relating to the
18 programs described in section 333(c);

19 (C) such other information as the Sec-
20 retary may require.

21 (3) CONTENTS OF STATE PLAN.—A State plan
22 shall—

23 (A) designate a fiscal agent to receive and
24 be accountable for implementation grant funds
25 awarded under this section and describe how

1 the State intends to manage the funds awarded
2 under this section at the State and local levels;

3 (B) identify the one-stop service areas that
4 have been designated within the State pursuant
5 to section 302(a);

6 (C) identify the one-stop service areas in
7 the State that will immediately begin implemen-
8 tation of the one-stop career center system, and
9 the schedule for implementation for the remain-
10 ing areas of the State;

11 (D) identify the workforce development
12 programs that will participate in the one-stop
13 career centers, consistent with section 315;

14 (E) describe the method by which one-stop
15 career centers will be selected, consistent with
16 section 313;

17 (F) describe the performance standards
18 that the State intends to meet;

19 (G) describe the procedure by which the
20 Governor, local elected officials, officials admin-
21 istering participating programs, and other ap-
22 propriate officials, will collaborate in the imple-
23 mentation of the statewide one-stop career cen-
24 ter system;

1 (H) describe the manner in which the
2 State has obtained and will continue to obtain
3 the active and continued involvement, in the
4 statewide one-stop career center system, of em-
5 ployers (including small business) and other in-
6 terested parties such as secondary schools and
7 post-secondary educational institutions (or re-
8 lated agencies), business associations, employ-
9 ees, labor organizations or associations of such
10 organizations, community-based organizations,
11 economic development organizations, rehabilita-
12 tion agencies and organizations, registered ap-
13 prenticeship agencies, vocational education
14 agencies, State or regional cooperative edu-
15 cation associations, human service agencies, and
16 education, employment and training service pro-
17 viders;

18 (I) describe the manner in which the State
19 will ensure equitable opportunities for job-
20 seekers, students, and employers in the State to
21 receive services from one-stop career centers;

22 (J) if the State has already undertaken a
23 one-stop service initiative, describe how such
24 initiative will be integrated into the Statewide
25 one-stop career center system under this title;

1 (K) describe the administrative and man-
2 agement systems that will be used in the State;
3 and

4 (L) describe the resources that the State
5 intends to employ in maintaining the one-stop
6 career center system whn funds under this title
7 are no longer available.

8 (c) FACTORS TO BE AWARDED SPECIAL CONSIDER-
9 ATION.—An applicant shall be awarded special consider-
10 ation in the evaluation of a grant application under this
11 section with respect to the following factors:

12 (1) The extent to which the one-stop service
13 areas in the State are based on labor market areas.

14 (2) The number of Federal programs that will
15 participate in the one-stop career centers.

16 (3) The extent to which the Job Opportunities
17 and Basic Skills program (commonly referred to as
18 JOBS) authorized under title IV–F of the Social Se-
19 curity Act and programs authorized under the Carl
20 Perkins Vocational and Applied Technology Edu-
21 cation Act will participate in the one-stop career
22 centers.

23 (4) The extent to which a State has already im-
24 plemented the components of the one-stop career
25 center system described in part A.

1 (5) The proportion of population of the State
2 that is covered by the one-stop service areas that
3 have agreed to immediately implement the one-stop
4 career center system.

5 (6) The extent to which a State demonstrates
6 a commitment to ensuring that the one-stop career
7 center operations in the State will enhance access to
8 the services described in section 314(a) through sup-
9 plementary methods such as kiosks based in shop-
10 ping centers, libraries, community colleges and other
11 community organizations, and through personal tele-
12 phones or computer lines.

13 (d) REVIEW OF APPLICATIONS.—The Secretary shall
14 determine whether to approve the State's plan, and, if
15 such determination is affirmative, further determine
16 whether to take one or a combination of the following ac-
17 tions:

18 (1) Award an implementation grant.

19 (2) Approve the State's request, if any, for a
20 waiver in accordance with the procedures in section
21 333 of this Act.

22 (3) Inform the State of the opportunity to
23 apply for further development funds, except that fur-
24 ther development funds may not be awarded to a
25 State that receives an implementation grant.

1 (e) LIMITATION.—No funds provided pursuant to a
2 grant under this section may be expended to construct new
3 buildings.

4 (f) DURATION OF GRANTS.—Grants awarded under
5 this section shall be for a one-year period and shall be
6 renewable for each of the two succeeding fiscal years if
7 the Secretary determines that the State is making satis-
8 factory progress in the implementation of the Statewide
9 one-stop career center plan.

10 **SEC. 333. WAIVER OF FEDERAL STATUTORY AND REGU-**
11 **LATORY REQUIREMENTS.**

12 (a) STATE REQUEST FOR WAIVER.—A State may, at
13 any point during the development or implementation of
14 a one-stop career center system, request a waiver of one
15 or more statutory or regulatory provisions from the Sec-
16 retary in order to carry out the purposes of this title.

17 (b) WAIVER CRITERIA.—(1) Except as provided in
18 subsection (d), the Secretary may waive any requirement
19 of any statute listed in subsection (c)(1) or regulations
20 issued under such statute, or, with the concurrence of the
21 Director of the Office of Management and Budget, any
22 circular listed in subsection (c)(2) or regulations issued
23 under such circular, for any State that requests such a
24 waiver—

1 (A) if such State submits a plan for a com-
2 prehensive, Statewide one-stop career center system
3 that—

4 (i) either—

5 (I) includes the components described
6 in part A; or

7 (II) while not including all of the com-
8 ponents described in part A, demonstrates
9 that such one-stop system will substan-
10 tially achieve the objectives of this title;
11 and

12 (ii) includes such other information as the
13 Secretary may reasonably require, such as the
14 information required under a State plan pursu-
15 ant to section 332(b)(3);

16 (B) if, and only to the extent that, the Sec-
17 retary determines that such requirement impedes the
18 ability of the State to carry out the purpose of this
19 title;

20 (C) if the State waives, or agrees to waive, simi-
21 lar requirements of State law; and

22 (D) if the State—

23 (i) has provided a notice and an oppor-
24 tunity for the State council or State Human
25 Resource Investment Council and other inter-

1 ested entities and individuals to comment on
2 the State's proposal to seek a waiver; and

3 (ii) has submitted the comments required
4 pursuant to clause (i) to the Secretary

5 (2) The Secretary shall act promptly on any request
6 submitted pursuant to paragraph (1).

7 (3) Each waiver approved pursuant to this subsection
8 shall be for a period not to exceed four years, except that
9 the Secretary may extend such period if the Secretary de-
10 termines that the waiver has been effective in enabling the
11 State to carry out the purposes of this title.

12 (c) INCLUDED PROGRAMS.—

13 (1) STATUTES.—The statutes subject to the
14 waiver authority of this section are as follows:

15 (A) Title I of this Act.

16 (B) The Job Training Partnership Act.

17 (C) The Wagner-Peyser Act.

18 (D) Title V of the Older Americans Act.

19 (E) Title III of the Social Security Act.

20 (F) Chapter 41 of title 38, United States
21 Code.

22 (2) CIRCULARS AND RELATED REGULATIONS.—

23 The following circulars promulgated by the Office of
24 Management and Budget subject to the waiver au-
25 thority of this section are as follows:

1 (A) A-87, relating to cost principles for
2 State and local governments.

3 (B) A-102, relating to grants and coopera-
4 tive agreements with State and local govern-
5 ments.

6 (C) A-122, relating to non-profit organiza-
7 tions.

8 (D) 29 CFR 97, uniform administrative
9 regulations for grants and cooperative agree-
10 ments to State and local governments.

11 (d) WAIVERS NOT AUTHORIZED.—The Secretary of
12 Labor may not waive any statutory or regulatory require-
13 ment of the programs listed in subsection (b) relating to—

14 (1) the basic purposes or goals of the affected
15 programs;

16 (2) maintenance of effort;

17 (3) the formula allocation of funds under the
18 affected programs;

19 (4) the eligibility of an individual for participa-
20 tion in the affected programs;

21 (5) public health or safety, labor standards,
22 civil rights, occupational safety and health, or envi-
23 ronmental protection; or

24 (6) prohibitions or restrictions relating to the
25 construction of buildings or facilities.

1 (e) TERMINATION OF WAIVERS.—The Secretary shall
2 periodically review the performance of any State for which
3 the Secretary has granted a waiver and shall terminate
4 the waiver under this section if the Secretary determines
5 that the performance of the State affected by the waiver
6 has been inadequate to justify a continuation of the waiv-
7 er, or the State fails to waive similar requirements of State
8 law as required or agreed to in accord with subsection
9 (b)(1)(C).

10 (f) PLAN FOR GENERAL WAIVER OF CIRCULAR PRO-
11 VISIONS.—

12 (1) DEVELOPMENT OF PLAN.—If the Secretary
13 determines there is sufficient information available,
14 based on applications received pursuant to this sec-
15 tion or other information, to identify provisions of
16 the circulars or related regulations listed in sub-
17 section (c)(2) that would consistently impede the im-
18 plementation of a one-stop career center system, the
19 Secretary shall submit a plan to the Director of the
20 Office of Management and Budget to authorize the
21 Secretary to grant a general waiver of such provi-
22 sions for areas implementing one-stop career center
23 systems.

24 (2) APPROVAL OF PLAN.—The Director of the
25 Office of Management and Budget may approve the

1 plan submitted pursuant to paragraph (1) and au-
2 thorize the Secretary to grant general waivers of the
3 provisions of the circulars and related regulations in
4 accordance with such plan if the Director determines
5 such plan would not jeopardize the integrity of Fed-
6 eral funds and would be consistent with the objec-
7 tives of this title.

8 **SEC. 334. POOLING OF ADMINISTRATIVE RESOURCES.**

9 (a) SUBMISSION OF PLAN.—

10 (1) IN GENERAL.—At any point in the imple-
11 mentation of a one-stop career center system, a
12 State may, on behalf of one or more one-stop service
13 areas in the State, submit a plan to the Secretary
14 for the pooling of administrative funds available to
15 such area under two or more of the programs de-
16 scribed in section 315(a).

17 (2) COMPONENTS OF POOLING.—Under a plan
18 submitted pursuant to paragraph (1), each partici-
19 pating program described in section 315(a) may pro-
20 pose to transfer administrative funds to the one-stop
21 career center system and to allocate the amount
22 transferred to the costs of administration under such
23 program at the time of such transfer. Pursuant to
24 such plan, further allocation of the expenditure of
25 such funds to the participating program shall not be

1 required subsequent to the transfer of the funds to
2 the one-stop career center system. Administrative
3 funds that are transferred under such plan shall
4 only be expended for the costs of administering al-
5 lowable activities under the one-stop career center
6 system.

7 (b) APPROVAL OF PLAN.—Notwithstanding section
8 1301 of title 31, United States Code, or any other provi-
9 sion of law, the Secretary may approve a plan for the pool-
10 ing of administrative funds submitted pursuant to sub-
11 section (a) if the Secretary determines such plan would
12 not jeopardize the administration of the participating pro-
13 grams transferring such funds and would facilitate the im-
14 plementation of the one-stop career center system. After
15 approval of such plan, the Secretary shall regularly review
16 the performance of the one-stop service areas operating
17 under such plans and shall rescind such approval if the
18 Secretary determines that the performance of the one-stop
19 service area has been inadequate to justify continuation
20 of the plan or there has been a significant adverse effect
21 on the participating programs.

22 (c) SESA REAL PROPERTY.—

23 (1) IN GENERAL.—Upon the approval of the
24 Governor, real property in which, as of July 1, 1995,
25 equity has resulted from funds provided under title

1 III of the Social Security Act, section 903(c) of the
2 Social Security Act (commonly referred to as the
3 Reed Act), or the Wagner-Peyser Act, may be used
4 for the purposes of a one-stop career center.

5 (2) LIMITATION.—Unless otherwise provided in
6 a plan approved pursuant to subsection (b), subse-
7 quent to the commencement of the use of the prop-
8 erty described in paragraph (1) for the purposes of
9 a one-stop career center, funds provided under the
10 provisions of law described in paragraph (1) may
11 only be used to acquire further equity in such prop-
12 erty, or to pay operating and maintenance expenses
13 relating to such property, in proportion to the extent
14 of the use of such property attributable to the activi-
15 ties authorized under such provisions of law.

16 **PART C—ADDITIONAL ACTIVITIES IN SUPPORT**
17 **OF ONE-STOP CAREER CENTER SYSTEMS**

18 **SEC. 351. CUSTOMER SERVICE COMPACT.**

19 The Secretary shall establish a process with each
20 State implementing a one-stop career center system under
21 this title, which shall include an annual meeting, to pro-
22 mote the development of a customer service compact
23 among the parties administering such system. Such com-
24 pact shall include an informal agreement between the Sec-

1 retary, Governor, each workforce investment board, and
2 each one-stop career center relating to—

3 (1) the shared goals and values that will govern
4 the administration of the system;

5 (2) the respective roles and responsibilities of
6 each party in enhancing the provision of services to
7 participants, including ensuring that such services
8 are tailored to the particular needs of participants in
9 each local area;

10 (3) methods for ensuring that the satisfaction
11 of participants with the services received is a pri-
12 mary consideration in the administration of the sys-
13 tem; and

14 (4) such other matters as the parties determine
15 are appropriate.

16 **SEC. 352. ADDITIONAL STATE RESPONSIBILITIES.**

17 (a) IN GENERAL.—Each State implementing a one-
18 stop career center system under this title shall be respon-
19 sible for developing and operating administrative and
20 management systems that promote the effective operation
21 of the one-stop career center system.

22 (b) MONITORING.—Each State implementing a one-
23 stop career center system under this title shall monitor
24 the compliance of workforce investment boards within the
25 State with the requirements of this title.

1 (c) TECHNICAL ASSISTANCE.—Each State imple-
2 menting a one-stop career center system under this title
3 shall provide such technical assistance as deemed nec-
4 essary to assist the workforce investment boards to carry
5 out their responsibilities under this title.

6 **SEC. 353. ADDITIONAL FEDERAL RESPONSIBILITIES.**

7 (a) OVERSIGHT.—The Secretary is authorized to
8 monitor all recipients of financial assistance under this
9 title to determine whether they are complying with the
10 provisions of this title.

11 (b) CAPACITY BUILDING AND TECHNICAL ASSIST-
12 ANCE.—The Secretary shall provide staff training and
13 technical assistance to States, workforce investment
14 boards, one-stop career centers, communities, business
15 and labor organizations, service providers, industry con-
16 sortia, and other entities, to enhance their capacity to de-
17 velop and implement effective one-stop career center sys-
18 tems. Such activities shall be integrated with the activities
19 of the Capacity Building and Information Dissemination
20 Network established under section 453 of the Job Train-
21 ing Partnership Act.

22 (c) NATIONAL LOGO.—The Secretary shall develop a
23 national logo and name for the purposes of identifying all
24 one-stop career centers as part of a nationwide workforce
25 security system. The purpose of this national identification

1 shall be to enable individuals to more readily identify and
2 access one-stop career centers in any State in any location.

3 (d) EVALUATION.—

4 (1) IN GENERAL.—The Secretary shall provide
5 for the continuing evaluation of programs conducted
6 under this title, including the cost-effectiveness of
7 programs in achieving the purposes of this title.

8 (2) TECHNIQUES.—

9 (A) METHODS.—Evaluations conducted
10 under paragraph (1) shall utilize recognized
11 statistical methods and techniques of the behav-
12 ioral and social sciences, including methodolo-
13 gies that control for self-selection, where fea-
14 sible.

15 (B) ANALYSIS.—Such evaluations may in-
16 clude cost benefit analyses of programs, and
17 analyses of the impact of the programs on par-
18 ticipants and the community, the extent to
19 which programs meet the needs of various de-
20 mographic groups, and the effectiveness of the
21 delivery systems used by the various programs.

PART D—EFFECTIVE DATE

SEC. 371. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the provisions of this title shall take effect on July 1, 1995.

(b) PERFORMANCE STANDARDS.—The performance standards established pursuant to section 317(a) shall take effect on July 1, 1996.

TITLE IV—NATIONAL LABOR MARKET

INFORMATION SYSTEM

SEC. 401. PURPOSE.

The purpose of this title is to provide for the development of a national labor market information system that will provide locally-based, accurate, up-to-date, easily accessible, user-friendly labor market information, including—

(1) comprehensive information on job openings, labor supply, occupational trends, current and projected wage rates by occupation, skill requirements, and the location of and performance of programs designed to provide requisite skills; and

(2) labor market data necessary to assist public officials, economic development planners, education planners, and public and private training entities in the effective allocation of resources.

1 **SEC. 402. NATIONAL STRATEGY.**

2 (a) IN GENERAL.—The Secretary shall develop, in co-
3 ordination with other Federal, State, and local entities, a
4 strategy to establish a nationwide system of local labor
5 market information that accomplishes the purposes de-
6 scribed in section 401 and carries out the activities de-
7 scribed in sections 403 and 404. In addition, such strategy
8 shall be designed to fulfill the labor market information
9 requirements of the Job Training Partnership Act, title
10 I of this Act, the Wagner-Peyser Act, the School-to-Work
11 Opportunities Act, the Carl Perkins Vocational and Ap-
12 plied Technology Act, and other appropriate Federal pro-
13 grams.

14 (b) IMPLEMENTATION.—In implementing the strat-
15 egy described in subsection (a), the Secretary is authorized
16 to enter into contracts and intergovernmental cooperative
17 agreements, award grants, and foster the creation of pub-
18 lic-private partnerships, using funds authorized under this
19 title and funds otherwise available for such purposes. In
20 addition, the Secretary may conduct research and dem-
21 onstration projects to assist in such implementation.

22 **SEC. 403. COMPONENTS OF SYSTEM.**

23 (a) IN GENERAL.—The Secretary, in cooperation
24 with Federal, State, and local entities, and public-private
25 partnerships, shall develop a national labor market infor-

1 mation system that makes available the following informa-
2 tion—

3 (1) information from both public and private
4 sources on the local economy, including current em-
5 ployment opportunities and trends by industry and
6 occupation;

7 (2) automated listings of job openings and job
8 candidates in the local, State, and national labor
9 market;

10 (3) growth projections by industry and growth
11 and replacement need projections by occupation and
12 occupational cluster for national, state and local
13 labor markets;

14 (4) current supply of labor available with spe-
15 cific occupational skills and experience including cur-
16 rent workers, job seekers and training completers;

17 (5) automated screening systems to permit easy
18 determination of candidate eligibility for funding and
19 other assistance in job training, job search, income
20 support, supportive services and other reemployment
21 services;

22 (6) consumer reports on local education and
23 training providers including student satisfaction with
24 programs, employer satisfaction with graduates,

1 placement rates, wages at placement, and other ele-
2 ments of program quality;

3 (7) results of customer satisfaction measures
4 for the career centers and one-stop career centers
5 and other providers of reemployment services;

6 (8) national, State, and substate profiles of in-
7 dustries, including skill requirements, general wage
8 and benefit information, and typical distributions of
9 occupations within the industry;

10 (9) profiles of industries in a local labor market
11 including nature of the work performed, skill and ex-
12 perience requirements, specific occupations, wage,
13 hour and benefit information, pattern of hiring, and

14 (10) automated occupational and career infor-
15 mation and exploration systems, which incorporate
16 local labor market information, employer or industry
17 profiles, listings of education, training and other re-
18 employment service providers including program
19 quality and customer satisfaction data, and available
20 automated listings of current openings.

21 (b) TECHNICAL STANDARDS.—The Secretary shall
22 promulgate standards necessary to promote efficient ex-
23 change of information between the local, State, and na-
24 tional levels, including such standards as may be required
25 to ensure that data are comparable. Such standards shall

1 be designed to ensure that there is universal access to
2 local, state and national data. In issuing such technical
3 standards, the Secretary shall meet the requirements of
4 chapter 35 of title 44, United States Code, and insure co-
5 ordination with other appropriate Federal standards es-
6 tablished by the Bureau of Labor Statistics.

7 (c) CONSUMER REPORTS.—The Secretary, in con-
8 sultation with the Secretary of Education and other appro-
9 priate Federal agencies, and State and local governments,
10 shall set standards for the required reports and create a
11 mechanism for collection and dissemination of the
12 consumer reports described in subsection (a)(6).

13 (d) EVALUATION.—The Secretary shall provide for
14 the evaluation of the procedures, products and services
15 under this title, including their cost-effectiveness and the
16 level of customer satisfaction. Such evaluations may in-
17 clude analyses of the precision of estimates produced or
18 collected under this title; examination of the uses of the
19 data by job seekers, employers, educators, career coun-
20 selors, public and private training providers, economic de-
21 velopment planners, and public agencies and institutions;
22 the appropriateness of such uses; and the relative costs
23 and benefits of the data.

1 **SEC. 404. COORDINATION.**

2 To ensure the appropriate coordination and integra-
3 tion of labor market information services nationwide, the
4 Secretary shall—

5 (1) coordinate the activities of Federal agencies
6 responsible for the collection and dissemination of
7 labor market information at the national, state and
8 local level; and

9 (2) ensure the appropriate dissemination of re-
10 sults from research studies and demonstration
11 projects, feedback from surveys of customer satisfac-
12 tion, education and training provider performance
13 data, and other relevant information that promotes
14 improvement in the quality of labor market informa-
15 tion.

16 **SEC. 405. EFFECTIVE DATE.**

17 The provisions of this title shall take effect on July
18 1, 1995.

19 **TITLE V—REINVENTION LABS FOR JOB**
20 **TRAINING FOR THE ECONOMICALLY**
21 **DISADVANTAGED**

22 **SEC. 501. ESTABLISHMENT OF LABS.**

23 Title II of the Job Training Partnership Act is
24 amended by adding at the end thereof the following new
25 part:

“PART D—REINVENTION LABS

“SEC. 281. PURPOSE.

The purpose of this part is to—

“(1) encourage innovative program designs to enhance the provision of services to and improve labor market outcomes for economically disadvantaged youth and adults,

“(2) develop, through the initiative and participation of service delivery areas and States, knowledge relating to effective approaches to providing employment and training to the economically disadvantaged that may be used to benefit the programs conducted under this title; and

“(3) provide service delivery areas with increased flexibility in the operation of job training programs in exchange for higher levels of accountability for results.

“SEC. 282. APPLICATION FOR WAIVER OF FEDERAL REQUIREMENTS.

“(a) IN GENERAL.—Any service delivery area or consortia of service delivery areas desiring to obtain a waiver of Federal statutory or regulatory requirements relating to the programs conducted under parts A, B, or C of this title shall submit, jointly with the Governor, an application for such waiver at such time, in such manner, and contain-

1 ing such information as the Secretary may reasonably re-
2 quire.

3 “(b) CONTENTS OF APPLICATION.—The application
4 for a waiver submitted pursuant to subsection (b) shall
5 include—

6 “(1) a plan for conducting a program or pro-
7 grams authorized under this title incorporating inno-
8 vative administrative, service delivery, and other pro-
9 gram design components,

10 “(2) the measurable goals and outcomes to be
11 achieved by the program;

12 “(3) a description of the statutory or regulatory
13 requirements under titles I and II of this Act that
14 would be waived and how such requirements would
15 impede the implementation of the plan described in
16 paragraph (1);

17 “(4) assurances that the service delivery area
18 and the State will participate in a rigorous evalua-
19 tion to determine whether the goals and outcomes
20 described in paragraph (2) have been achieved; and

21 “(5) such other components and information as
22 the Secretary determines are appropriate.

23 **“SEC. 283. WAIVERS AUTHORIZED.**

24 “(a) IN GENERAL.—Except as provided in subsection
25 (b), the Secretary may, pursuant to an application submit-

1 ted in accordance with section 282, waive statutory or reg-
2 ulatory requirements relating to title I and parts A, B,
3 and C of this title if—

4 “(1) the Secretary determines that such re-
5 quirements would impede the ability of the service
6 delivery area to carry out the plan described in sec-
7 tion 282(b)(1) and achieving the outcomes described
8 in the plan,

9 “(2) the service delivery area and the State—

10 “(A) have provided a notice and oppor-
11 tunity for interested entities and individuals in
12 the State to comment on the application; and

13 “(B) have submitted to the Secretary the
14 comments received pursuant to subparagraph
15 (A); and

16 “(3) the Secretary approves the plan described
17 in the application.

18 “(b) WAIVERS NOT AUTHORIZED.—The Secretary
19 may not waive any statutory or regulatory requirement re-
20 lating to title I or parts A, B, or C of this title regarding—

21 “(1) the basic purposes or goals of the affected
22 programs;

23 “(2) the formula allocation of funds;

1 “(3) the eligibility for services as described in
2 sections 203, 254(b) and 263 (except for subsection
3 (f));

4 “(4) public health or safety, labor standards,
5 civil rights, occupational safety or health, or environ-
6 mental protection; or

7 “(5) prohibitions or restrictions relating to con-
8 struction of buildings or facilities.

9 “(c) ADDITIONAL LIMITATIONS.—

10 “(1) NUMBER OF AREAS PARTICIPATING.—The
11 Secretary may approve not more than seventy-five
12 applications nationwide to conduct the program de-
13 scribed under this part.

14 “(2) DURATION OF WAIVERS.—Each waiver
15 provided pursuant to this part shall be for a period
16 of not more than two years, except that the Sec-
17 retary may extend such period if the Secretary de-
18 termines that the waiver has been effective in ena-
19 bling the service delivery area to carry out the pur-
20 poses of this Act.

21 “(3) TERMINATION OF WAIVERS.—The Sec-
22 retary shall periodically review the performance of
23 any service delivery area for which the Secretary has
24 granted a waiver and shall terminate the waiver
25 under this section if the Secretary determines that

1 the performance of the service delivery area affected
2 by the waiver has been inadequate to justify a con-
3 tinuation of the waiver.

4 “(4) SUNSET.—No waivers may be approved or
5 remain in effect under this part after the date that
6 is four years after the date of enactment of the Re-
7 employment Act of 1994.

8 **“SEC. 284. TECHNICAL ASSISTANCE, EVALUATION AND RE-**
9 **PORT.**

10 “(a) TECHNICAL ASSISTANCE.—The Secretary may
11 provide appropriate technical assistance to service delivery
12 areas, States, and service providers in the development
13 and implementation of programs under this part.

14 “(b) EVALUATION.—

15 “(1) IN GENERAL.—The Secretary shall provide
16 for the continuing evaluation of programs conducted
17 under this part, including the cost-effectiveness of
18 programs in achieving the purpose of this part.

19 “(2) TECHNIQUES.—

20 “(A) METHODS.—Evaluations conducted
21 under paragraph (1) shall utilize recognized
22 statistical methods and techniques of the behav-
23 ioral and social sciences, including methodolo-
24 gies that control for self-selection, where indi-
25 cated.

1 “(B) ANALYSIS.—Such evaluations may in-
 2 clude cost benefit analyses of programs, and
 3 analyses of the impact of the programs on par-
 4 ticipants and the community, the extent to
 5 which programs meet the needs of various de-
 6 mographic groups, and the effectiveness of the
 7 delivery systems used by the various programs.

8 “(c) REPORT.—Not later than five years after the
 9 date of enactment of the Reemployment Act of 1994, the
 10 Secretary shall submit a report to the Congress relating
 11 to the evaluation conducted pursuant to subsection (a) and
 12 containing such recommendations as the Secretary deter-
 13 mines are appropriate.”.

14 **SEC. 502. MODIFICATION OF TUITION DEFINITION.**

15 Subparagraph (B) of section 141(d)(3) of the Job
 16 Training Partnership Act is amended to read as follows:

17 “(B) Tuition charges for training or edu-
 18 cation provided by an educational institution,
 19 including an institution of higher education (as
 20 defined in section 1201(a) of the Higher Edu-
 21 cation Act of 1965), a proprietary institution of
 22 higher education (as defined in section 481(b)
 23 of such Act), and a postsecondary vocational in-
 24 stitution (as defined in section 481(c) of such
 25 Act) that are not more than the charges for

1 such training or education made available to
 2 the general public, do not require a breakdown
 3 of cost components.”.

4 **SEC. 503. EFFECTIVE DATE AND SUNSET.**

5 (a) REINVENTION LAB.—The provisions of section
 6 501, and the amendments made by such section, shall take
 7 effect on the date of enactment of this Act and shall termi-
 8 nate on the date that is five years after the date of enact-
 9 ment of this Act.

10 (b) TUITION DEFINITION.—The provisions of section
 11 502 and the amendments made by such section, shall take
 12 effect on the date of enactment of this Act.

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